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ITAR-TASS Carries Press Review for 30 Jun

LD3006052094 Moscow ITAR-TASS in English 0438 GMT 30 Jun 94

["Press Review"—ITAR-TASS headline]

[Text] Moscow June 30 (TASS)—ROSSIYSKAYA GAZETA on the results of privatisation's voucher (cheque) phase which is ending on Friday [1 July]:

"The validity of the privatisation cheque, popularly known as voucher, expires throughout Russia on July 1. As many as 136 million privatisation cheques out of 148 million were exchanged for shares as of June 20.

"Recently, however, the flow of privatisation cheques offered for exchange has grown and reached an amount of nine million a week. So, there is every indication that a very small number of vouchers will remain in the possession of people in Russia by July 1".

ROSSIYSKIYE VESTI on a new privatisation phase which begins on Friday:

"It is perfectly evident that the time has come for real money, instead of privatisation cheques to come into play. Only then privatisation will become effective enough from innovation point of view.

"A programme for post-cheque privatisation should be presented to society in the form of a federal law, because it concerns the economic foundations of our entire life".

NEZAVISIMAYA GAZETA runs excerpts from a privatisation study prepared by the Reform Foundation under the direction of academician Stanislav Shatalin.

"In our view, privatisation was designed primarily to promote the political interests of an extremely narrow circle of people. Comparatively small social groups availed themselves of the results of privatisation," the newspaper quotes Shatalin as saying.

"The advancement of those interests was quite often to the detriment of the real requirements of the national economy and the population of the country."

"One can see no unanimity in evaluations and no accord between the results and the proclaimed objectives," the newspaper concludes.

PRAVDA frontpages an article on the final day of voucher-based privatisation.

"What has it given to the country? Notorious scandals connected with the shady transactions of cheque investment foundations, and millions of duped citizens. An in-depth analysis of this undertaking is yet to be made."

The newspaper runs a letter by a war and labour veteran who sums up the preliminary results of his particiation in the work of an investment foundation which turned out to be unable to accomplished the tasks set to it—to support the most vulnerable sections of the population.

KRASNAYA ZVEZDA (Red Star) frontpages an interview with Presidential Press Secretary Vyachelslav Kostikov.

Touching upon the place of the army in politics, Kostikov said: "I do not want to say that the army should be outside politics. This is apparently impossible to achieve. But, to my mind, the army, as has always been the case, should remain the symbol of Russia's national strategic interests and serve them, that is, the army should uphold national interests, not narrow political ones.

"One of the main tasks, facing both the president and, indirectly, the army, is to maintain in the coming several years the still fragile civic and political equilibrium which has been established in Russia following the adoption of a new constitution and the signing of the treaty of civic accord".

"In view of this, it is very important that the army adhere to a normal, calm, and civic position".

ROSSIYSKAYA GAZETA, reporting the entering into force of the presidential decree on action to combat organised crime and banditry, carries an interview with Russia's acting prosecutor- general Aleksey Ilyushenko.

"Compared with 1989, crime has more than doubled. Last year, 2,800,000 crimes were recorded, including more than 500,000 grave ones—30,000 wilful murders, 67,000 heavy bodily injuries, more than 220,000 robberies and aggravated assaults," Ilyushenko told the newspaper.

"The first five months of this year saw 1,094,000 crimes, including 216 grave ones. Almost all large cities can be reckoned among areas where crime is rampant," Ilyushenko said.

Kozyrev Seeks To Broker End to Yemen Hostilities

LD2906211094 Moscow ITAR-TASS in English 2045 GMT 29 Jun 94

[By ITAR-TASS diplomatic correspondent Yuriy Tyssovskiy]

[Text] Moscow June 30 TASS—Russian Foreign Minister Andrey Kozyrev met on Wednesday with his counterpart from North Yemen, Muhammad Salih Basindwa as part of Russian attempts to bring about a ceasefire in the Yemeni civil war.

Later in the day, the Russian diplomat met with a special envoy of breakaway South Yemen, Salih Muhammad, who is deputy secretary general of the Yemeni Socialist Party's Central Committee.

The Yemeni representatives asked Kozyrev for mediation and assistance with resuming a political dialogue between the warring sides.

They informed Kozyrev in details about the current situation in their country where fierce fighting is continuing between North and South Yemeni troops. The Yemenis also told Kozyrev how Sanaa and Aden viewed possible ways of settling the conflict and stressed that they had arrived in Moscow as the capital of a great power and a member state of the U.N. Security Council, which established friendly relations with Yemen long ago.

Kozyrev reiterated that Russia was seeking for the soonest possible truce in Yemen in full accordance with U.N. Security Council Resolution No. 924. He expressed regret that despite appeals from the world community and pledges of the warring sides, military actions were still carried on, including shelling of Aden. The shelling aggravated the situation and caused heavy civilian casualties in the south-held city.

Russia resolutely backs the efforts taken by the world community, above all by the U.N. Security Council, to normalize the situation in Yemen and to resume peace dialogue between North and South Yemenis without imposing any preliminary conditions.

The critical situation in the war-ravaged country requires an appropriate control mechanism, including deployment of international observers.

During the meetings, the Russian foreign minister stressed the urgent need to give up hostilities and to settle all differences by political means. He also proposed that the two sides consider including a Russian military representative into the joint commission of observers, which was set up under the Amman agreement of February 20, 1994, but suspended its work when the conflict between North Yemen and South Yemen escalated into a war. Kozyrev also favoured further development of friendly relations between Russia and Yemen.

After the separate meetings with the Yemen representatives, a tripartite meeting was held at the initiative of the Russian foreign minister and at the request of the conflicting sides. The meeting was focused on a ceasefire agreement. The participants in the talks agreed that the conflict could not be solved by military means and stressed the need for political settlement on the basis of U.N. Security Council Resolution No. 924. It is noteworthy that the tripartite meeting became possible only following North Yemeni foreign minister's consultations with Sanaa.

The participants agreed upon follow-up meetings, including in Moscow.

Sources close to the South Yemeni delegation noted that mediation of any third party would not produce positive results at the current stage. According to them, Sanaa is likely to resist any new resolution by the U.N. Security Council, fixing the date for a ceasefire. This position was manifested, in particular, during the meeting in New York on Tuesday between North Yemen's permanent representative at the U.N. al-Iryani and a South Yemeni senior official, al-'Attas, which ended in a deadlock. At the same time, South Yemen hopes that Moscow will support its "just cause", taking into account its Soviet-era alliance with the south.

Arab newsmen, who gave the coverage of the Moscow meetings, highly assessed the initiative of Russian diplomacy, laying a special emphasis on its unbiased attitude to the events. Even if Wednesday's meetings do not produce concrete results, the mere fact of their being held is designed to draw the warring sides' positions closer together.

'Agreement in Principle' Reached

LD3006071694 Moscow ITAR-TASS in English 0706 GMT 30 Jun 94

[By ITAR-TASS diplomatic correspondent Yuriy Kozlov]

[Text] Moscow June 30 TASS—Russian diplomatic effort to reconcile the warring Yemeni sides seems to be yielding a major success as representatives of north and south Yemen confirmed their readiness to sign a ceasefire agreement on Thursday in Moscow.

A corresponding agreement between the two sides was brokered by Foreign Minister Andrey Kozyrev on Wednesday at his separate talks with foreign minister of North Yemen Muhammad Salih Basindwah and south Yemeni envoy Salim Salih Muhammad.

The agreement in principle to adopt the important document has been confirmed on Thursday morning. Only some technical details are yet to be settled, TASS learned from reliable sources.

Moscow Concerned Over Situation in Yemen

LD2906162294 Moscow ITAR-TASS in English 1608 GMT 29 Jun 94

[By ITAR-TASS diplomatic correspondent Yuriy Tyssovskiy]

[Text] Moscow June 29 TASS—Talks between Russian Foreign Minister Andrey Kozyrev and Foreign Minister of the Yemeni Republic Muhammad Salim Basindawa who arrived in Moscow on Wednesday, began at the building of the Russian Foreign Ministry today.

It is expected that later today the head of the Russian foreign office will hold talks with South Yemeni emissary—Deputy Secretary General of the Central Committee of the Yemeni Socialist Party Saleh Saleh Muhammad.

Valerian Shuvayev, head of the section of countries on the Arabian Peninsula and the department of the Middle East and north Africa of the Russian Foreign ministry, told ITAR-TASS about Moscow's position at the talks.

These contacts, he said, are being carried out within the framework of Russian diplomacy's efforts aimed at reaching a ceasefire between the confronting sides in Yemen which would become the first step towards halting a bloodshed.

All internal problems of this Arab country must be resolved at a negotiating table. We are prepared to coordinate our actions with all who seek to achieve the same aims, both on a bilateral basis and within the framework of the United Nations to promote the soonest stopping of the senseless fratricidal war, the Russian diplomat pointed out.

Indian Prime Minister Rao Arrives in Moscow

BK2906161594 Delhi All India Radio Network in English 1530 GMT 29 Jun 94

[Text] The prime minister, Mr. P.V. Narasimha Rao, arrived in Moscow a short while ago. He was received by at the airport by the Russian prime minister, Mr. Chernomyrdin, and a host of other prominent Russian leaders, including the minister of state for foreign affairs and the Russia ambassador to India. The Indian ambassador, Mr. R. Sen, and other members of the mission were also present. Our special correspondent, I.J. Behal, reports from Moscow that the prime minister was presented a guard of honor by the contingents of the three services. The prime minister will be accorded a ceremonial welcome tomorrow morning at St. George's Hall at the Kremlin, which will be followed by talks with President Yeltsin.

Begins Talks With Yeltsin

LD3006072094 Moscow ITAR-TASS in English 0709 GMT 30 Jun 94

[By ITAR-TASS correspondent Andrey Bychkov]

[Text] Moscow June 30 TASS—Russian President Boris Yeltsin and Indian Prime Minister P.V. Narasimha Rao began a meeting in close circle on Thursday. They are assisted only by experts and translators.

Addressing the Indian guest before the Kremlin meeting, Yeltsin expressed hope that the talks on a wide range of bilateral relations would be successful.

Yeltsin Comments on Talks

LD3006090594 Moscow ITAR-TASS World Service in Russian 0830 GMT 30 Jun 94

[By ITAR-TASS diplomatic correspondent Andrey Bychkov]

[Text] Moscow, 30 Jun—"There are no differences between Russia and India, not on any issue"—with these words Russian President Boris Yeltsin opened the talks between Russian and Indian delegations in the Kremlin today. He had just completed a one-to- one conversation with Indian Prime Minister Narasimha Rao. "This applies both to bilateral issues and to international affairs," the Russian president said. Turning to Narasimha Rao, he then said the intergovernmental Russo-Indian commission on commercial, economic, scientific, and technological cooperation commission "regrettably has not functioned, although there has been enough time for that." Boris Yeltsin asked that commission to "do real and actual work."

While the leaders of the two countries were talking in St. Catherine's Hall of the Great Kremlin Palace, top representatives of Russia and India were signing a package of bilateral documents. The agreements provide specifically for the development of cooperation in science and technology, information, and tourism. Both sides also intend to work together in environmental protection, space research, and the exploitation of space for peaceful purposes. The intergovernmental agreement providing India with credits to finance long-term programs in the field of technological cooperation and special purchases.

The Russian president and the Indian prime minister are expected to sign a declaration on further development and deepening of cooperation between the Russian Federation and the Republic of India today, as well as a Moscow declaration on protecting the interests of multiethnic states.

India Expresses Interest in Cooperation With Russia

LD2906124794 Moscow INTERFAX in English 1015 GMT 29 Jun 94

[Text] As before India is interested in military-technical and trade-economic cooperation with Russia which "has practically turned into an integral element of the Indian economy's functioning," Russia's Foreign Economic Relations Minister Oleg Davydov reported in his interview with Interfax.

In the course of the visit of Indian Prime Minister Narasimha Rao scheduled for Wednesday the parties are expected to sign protocols on cooperation in the field of space research and military-technical assistance. In addition, the parties intend to undertake certain measures to increase the volume of trade which dropped to $1 billion in 1993 compared with $1.3 billion the previous year and $5.5 billion in 1990 - the most successful year.

In his interview with Interfax a top-ranking official of the Indian Embassy in Moscow expressed his opinion that lowering of turnover in the Russian-Indian trade was caused "predominantly by transport difficulties." In particular, after the collapse of the USSR, Odessa (the most cargo from India was shipped via this city) has become part of Ukraine. However, in the near future goods from India will be delivered via the Novorossiysk port.

The Foreign Economic Relations Ministry (FERM) experts point out that India was one of the leading trade partners of the former USSR, about 2 percent of the country's foreign trade was with this country. Thanks to the procurements made in India the USSR was able to import tea (about 70 percent), coffee (60 percent), black pepper (98 percent), jute and goods made of it (more than 90 percent). In addition, the USSR procured a great quantity of cotton cloth, medicines, detergents, and perfume.

The Soviet Union predominantly exported raw materials (more than 65 percent) to India, including oil and oil products, fertilizers, and non-ferrous metals. The USSR's share in India's foreign trade was about 9 percent. More than 70 various industrial facilities were built in India with the assistance of the USSR.

In 1992-1993 the parties accomplished several measures aimed at the development of new conditions for Russian-Indian cooperation. In May 1992 they signed an agreement providing for settling mutual accounts in hard currency (until that time the trade was accomplished on clearing basis). The parties have also introduced barter deals.

In the course of Russian President Boris Yeltsin's visit to India in 1993 the parties reached several agreements on the Indian debt. In particular, the debt to the former USSR totaling about 320 million rupees (about $10 billion) is to be paid off by payments in rupees which are to be spent for the procurement of Indian goods. A 45-year postponement in paying off 120 billion rupees ($3.75 billion) with annual payments in equal installments was granted to India (by 1994 Russia has already received about $840 million towards India's debt).

More than 60 percent of the Indian military has been armed thanks to the shipments of Soviet weapons over the last two decades. In 1993 armaments and military equipment constituted 54 percent of Russian export to India. Nevertheless, according to Russian experts, Russia has to take serious measures to preserve and strengthen its positions on India's arms market in as other arms exporters have become more active in that region of late.

Yeltsin Academy Speech Highlights Foreign Policy

PM3006101294 Moscow ROSSIYSKAYA GAZETA in Russian 30 Jun 94 First Edition pp 1, 2

[Unattributed account of "speech by Russian President B.N. Yeltsin at reception in honor of military academy graduates" in Moscow on 28 June: "It Is Up to You To Reform the Army"]

[Text] Comrade generals and admirals, comrade officers!

Esteemed representatives of foreign countries' armies!

Today, in Moscow's Kremlin, we honor our military academy graduates, representatives of our glorious officers corps.

Such graduation ceremonies take place each year. A fresh cohort of highly skilled professionals joins our Armed Forces each year.

The Russian Army's hopes are assembled in this splendid hall. You are among those on whom its might and combat ability will be founded.

On the whole, Russia's Armed Forces meet the contemporary demands as regards ensuring the country's military security.

The young Russian Army confirms this not only in the course of major maneuvers and strategic exercises. Its units and combined units successfully perform peacemaking functions in line with our country's international commitments.

The main avenue of our military policy is to reform the Armed Forces. They must satisfy the real needs of the country's necessary and adequate defense.

Gradually (and I emphasize: gradually) the Army's numerical strength will be brought to 1.5 million men.

The mechanism for the Army's manpower acquisition will also change gradually. We are talking about increasing the proportion of servicemen serving on contract.

We will continue to give major attention to the development of Russia's new military infrastructure and to ensuring that it is effectively supplied and organized.

We need to learn to pursue a balanced military-technical policy. The root of the problem is to ensure that the tasks we are resolving should be in line with the real potential of the country's economy.

It is no secret that today we have limited resources and this is having an acute impact on the Army. It is that much more important to allocate them properly. We will

have to reduce the categories and modifications of armaments, the backup services for them, and the range of munitions, consumables, and spares. Diversity in this sphere is an unaffordable luxury.

At the same time, however, it is categorically impermissible to squander—under the pretext of cutbacks—the unique scientific and technical potential created within the Armed Forces.

There are international treaties and agreements. The commitments we have made will be honorably fulfilled. But there cannot be any question whatsoever of any so-called "overfulfillment."

This is the president's clear-cut position, this is the principled demand made of the Armed Forces' leadership.

The majority of those in this hall will soon return to the forces. I hope that you have soundly mastered one of the main lessons of the science of victory.

It is that the Army's strength lies not only in the personnel's combat skills, and not only in the extent to which the military art has been mastered by commanders and troop leaders—even though there can be no army without this.

Its strength is rooted not just in military discipline—even though there can be no army without this, either.

The Russian Army has been invincible whenever humanity within it has gained the upper hand over callousness. Whenever commanding officers have realized that each and every one of their subordinates is neither a robot nor a blind instrument, but a human being.

Humanity means neither permissiveness nor mollycoddling. Humanity in the Army means persistently teaching each and every serviceman to perform his combat task and survive in any circumstances.

The main point in this process is not to forget your subordinates' dignity and to always feel personally responsible for their lives.

This is the behest of our best troop leaders, this is taught to us by the combat experience of our best field commanders. I believe that you will not only continue but will also consolidate this glorious tradition. It must be honestly admitted: We have not been and are not always loyal to this tradition, whether in the past or in the present.

In a democratic state, the rights and duties of servicemen must be defined only by the law. The entire legal basis of the Armed Forces' organizational development and activity must be brought in line with the Constitution and the fundamental provisions of the military doctrine.

In order to improve the overall system of Armed Forces command and control and strengthen their ties with society, we will gradually introduce and strengthen elements of civilian control over the process of military organizational development.

It is impossible not to mention the system of military cadre training at a reception in honor of military academy graduates.

We do have a concept for developing the military education system. The tuition plans and programs of higher educational establishments have been clarified. The training of officers in many specialized fields, who are in short supply in the Russian Army, has been organized. This work must be continued.

The main avenue must be a line of rationally expanding and integrating the military education establishments. The quality of training must be enhanced by reducing their number.

We will continue to give special attention to questions concerning social protection for the Armed Forces personnel and members of their families, as well as for servicemen in the reserve. For those who have spent the best years of their lives serving the motherland.

We are implementing a program to provide housing for servicemen and persons discharged from military service in 1994-1995. Money allowances and pensions have been increased, as have the salaries of the Russian Army's [civilian] workers and employees.

Additional sources of finance to meet military needs are being sought for this purpose, despite all the complexities.

It may well be that the Ministry of Social Protection will have to create a special department for the affairs of persons discharged into the reserve, military invalids, pensioners, and veterans.

I take advantage of this occasion to also dwell on questions concerning the Armed Forces' external activity.

This primarily involves the formation of a collective security system in the CIS.

Nobody and nothing can relieve Russia of its political and moral responsibility for the future of countries and peoples that have marched in step with the Russian state for centuries.

Next comes the creation of a promising European security system.

We advocate that this system should be all-embracing. It should also mean more than just a bloc structure, like NATO.

What is needed is a broader partnership system which would pool and boost all currently operational mechanisms of the CSCE, the European Union, the Western European Union, the North Atlantic Cooperation Council, and so on.

The new edifice of European security is hardly likely to be successfully built if its architects try to exclude Russia from their plans. But we also need to actively participate in the existing institutions for cooperation, not to isolate ourselves from them but, on the contrary, to more strongly influence their work from within.

Proceeding from Russia's special strategic position in Eurasia, we must single out the creation of an effective security system in the Asia-Pacific region as a special avenue of our military policy.

We will continue to actively participate in peacemaking operations, in the work to monitor armaments and the proliferation of nuclear technologies, and, on the whole, in ensuring strategic stability in the world.

Russia's foreign policy is gathering pace. A few days ago our country joined the "Partnership for Peace" military-political process. Russia concluded the agreement "On Partnership and Cooperation" with the European Union.

Attendance at the conference of the world's seven most developed states lies ahead. This will be, moreover, participation with fully equal rights in political matters. In other words, the political eight will begin their work.

Each such step offers fresh opportunities to our country. This will directly affect the Army. The more efficiently we operate, the more real opportunities we will gain to solve its urgent problems.

The second anniversary of the formation of the Russian Federation Armed Forces was marked only a short while ago. But its history goes far beyond this date. Today's Army is a direct heir of the glorious traditions and truly great victories of the Russian host.

It covered itself with glory on the ice of Lake Peipus [Aleksandr Nevskiy's 1242 victory over the Teutonic knights] and at the battle of Kulikovo [Dmitriy Donskoy's 1380 defeat of the Mongols], near Poltava [1709 defeat of Sweden] and Borodino [1812 victory over Napoleon]. The Russian Army's legendary might was augmented by the military feats of Aleksandr Nevskiy, Dmitriy Donskoy, Aleksandr Suvorov, Fedor Ushakov, Mikhail Kutuzov, and other eminent military leaders.

Our forebears' tradition of gaining victory, of defending the Russian state's freedom and independence with arms in their hands, was continued by the Red Army soldiers in harsh battles against German fascism.

Now, 53 years after the start of the Great Patriotic War, we realize the full extent of the grandeur of the feat accomplished by our grandfathers and fathers.

We give the due credit to the talent of celebrated troop leaders like Zhukov, Vasilevskiy, Konev, Rokossovskiy, Chernyakhovskiy, and many others.

Dear graduates!

You are celebrating! I congratulate you with all my heart on the successful conclusion of your training!

Tomorrow you will return to the ranks and will take on new and more onerous duties. I am confident that the personnel of units, ships, and combined units under your leadership will successfully perform their tasks to defend Russia's state interests.

On this memorable day I would like to wish the officer graduates from foreign armies success in their service. I have no doubt that you will retain the warmest memories of the academy, of Moscow, of our country and its people.

Special thanks are due to the command and teaching staff of the military academies. I wish you fresh creative accomplishments in your noble work.

I wish you all success in your very hard but honorable work for the sake of Russia and for the glory of the fatherland!

Godspeed, dear graduates! Success and happiness in your hard service as officers!

Official Denies Chemical Arms Data Hidden

MK2906101094 Moscow SEGODNYA in Russian 29 Jun 94 p 1

[Unattributed report: "Russia Hides no Data on Chemical Arms"]

[Text] Allegations that Russia is hiding some sort of data about chemical weapons are "absolutely groundless," stated Grigoriy Karasin, Russian Federation Foreign Ministry information and press department director, in connection with the accusations heard in the course of hearings in the U.S. Congress. He advised that the Russian Federation and the United Stated exchanged data on their military-chemical potentials on the basis of an intergovernment memorandum on chemical weapons. "These data are being studied and analyzed by both sides, following which Russia and the United States will each carry out five inspections at each other's installations. This is provided for so that the sides can make sure the received information is trustworthy," the Foreign Ministry official stated.

Reportage on Visit by IAEA's Blix

Meets With Primakov

MK3006071094 Moscow SEGODNYA in Russian 30 Jun 94 p 1

[SEGODNYA report: "IAEA Establishes Contacts With the FIS"]

[Text] Yevgeniy Primakov, director of the Russian Foreign Intelligence Service [FIS], met yesterday with IAEA General Director Hans Blix, who is in Moscow on an

official visit, the FIS press bureau has said. The collection of information about the proliferation and development of weapons of mass destruction has always been among special services' priority tasks, and the IAEA draws on intelligence data of the U.S. and British intelligence services it has been receiving not only through their governments; this is why Mr. Blix is also planning to establish close cooperation with the Russian intelligence service.

Further on Primakov Meeting

LD2906123294 Moscow ITAR-TASS in English 1135 GMT 29 Jun 94

[By ITAR-TASS correspondent Olga Semenova]

[Text] Moscow June 29 TASS—Hans Blix, director of the International Atomic Energy Agency (IAEA), met with Director of the Russian Foreign Intelligence Service (SVR) Yevgeniy Primakov on Wednesday and sources in the SRV indicated that Blix wants Russian intelligence information on nuclear non-proliferation problem.

"The Foreign Intelligence has never concealed that monitoring the proliferation of nuclear weapons is among our priority tasks", a high ranking intelligence official told TASS.

He added that the IAEA relies in its activities on the information received from us and British secret services not only through their corresponding governments, but also directly from the intelligence bodies.

"It is quite logical that the IAEA director intends to establish closer cooperation in the given field with the Russian intelligence as well in order to get a more objective picture", the official said adding that the "exchange of such information is in mutual interests".

Meets Atomic Energy Minister

LD2906163094 Moscow Russian Television Network in Russian 1200 GMT 29 Jun 94

[From the "Vesti" newscast]

[Text] Hans Blix, general director of the International Atomic Energy Authority [IAEA], continues his visit to Moscow. Today he met Viktor Mikhaylov, Russian minister for atomic energy. Problems of ensuring the safety of weapons-grade uranium and plutonium released during the dismantling of nuclear warheads were discussed. Other topics under discussion included the safety of storing radioactive elements and joint projects to ensure safety at atomic power stations.

In a conversation with journalists Hans Blix highly appraised the prospects for the best Russian atomic technological processes in the world markets, first and foremost in the area of state-of-the-art reactor technology, and the production of isotopes and of enriched uranium.

The IAEA general director also gave new details concerning the North Korean nuclear problem. The agency extended to the DPRK technical assistance in the area of development of atomic power engineering for peaceful purposes only, checking the activities which have been officially notified and the relevant nuclear facilities and materials.

The IAEA began to suspect Pyongyang of concealing certain data and of supplying incomplete and inaccurate data. In an attempt to have the situation clarified, the IAEA demanded that two new facilities should be made available for inspection. The conflict began when Pyongyang refused.

So far it is difficult, on the basis of the current data, to speculate how close North Korea is to making nuclear weapons.

Moscow Welcomes Korean Summit; Against Sanctions

LD2906162794 Moscow INTERFAX in English 1542 GMT 29 Jun 94

[From the "Diplomatic Panorama" feature: by correspondents Igor Porshnev, Yevgeniy Terekhov, and others]

[Text] Mikhail Beliy, director of the First Asian Department in the Russian Foreign Ministry, told Interfax Wednesday that international sanctions against Pyongyang were not on the agenda any more as the U.S. and North Korea were scheduled to hold talks in Geneva on July 8 and a summit meeting of the two Koreas was to be held on July 25.

He said that Moscow welcomed the understanding on holding the first summit of North an South Korea. Beliy noted that this idea was not new but until now it had never gone beyond the coordination stage. He thought that if all barriers were overcome this time, a new page might begin in the relations between the two Koreas.

Beliy added that Russia still thought an international conference on the Korean peninsula had to be held. He explained that since the beginning of 1994 three crises had been about to break out in the peninsula. When it attenuated somewhat, it used to be followed by a stronger one, he said. For this reason, Beliy believed, a multilateral conference might work where bilateral talks failed.

He did not think that the American-North Korean dialog would not necessarily be a success because the problems were too complicated to be solved quickly. This was the reason why Russia would press for an international conference.

Grachev Departs for Rostov, Georgia Trip

LD2906122294 Moscow Ostankino Television First Channel Network in Russian 1100 GMT 29 Jun 94

[From the "Novosti" newscast]

[Text] [Defense Minister] Pavel Grachev left Moscow for Rostov-on-Don. The Russian defense minister has begun a three-day tour of the North Caucasus. Among other things, he will visit subunits of the Russian peacekeeping forces deployed in the zone of the Georgian-Abkhaz conflict. He will also find out how military units withdrawn to the North Caucasus region from foreign countries, including the Baltic republics and Germany, are settling down.

Sees Caucasus as 'Priority Region'

LD2906190094 Moscow Ostankino Television First Channel Network in Russian 1700 GMT 29 Jun 94

[From the "Novosti" newscast]

[Text] Russian Defense Minister Pavel Grachev today arrived in Rostov-on-Don to begin his three-day visit to North Caucasus.

[Correspondent A.Murtazin—identified by caption] With the changes in geopolitical realities, southern Russian has become a border region, hence the need for suitable combat-ready troops.

[Begin Grachev recording] Along with Transcaucasia, North Caucasus is a priority region for us at the moment. We need to create a strong district manned with strong mobile and land-based forces which are properly armed. [end recording]

[Murtazin] From the airport the minister went on to the military cantonment where construction of apartments for the army officers withdrawn from Germany has been under way for four months now. In accordance with the agreement on troop withdrawals, the construction is financed by the German side. Bulgarian and Russian workers are employed. By the end of this year 1,548 apartments will be built.

Also today the minister visited the 22d Special Purpose Troops Brigade transferred here from Baku two years ago. During their first winter here these servicemen had to live in tents in the open country. Now their barracks are ready. Soon many of them will be moving into new apartments.

Pastukhov Upbeat on Peacekeepers Role in Georgia

LD2906181994 Moscow INTERFAX in English 1542 GMT 29 Jun 94

[From the "Diplomatic Panorama" feature: by correspondents Igor Porshnev, Yegeniy Terekhov, and others]

[Text] Moscow is convinced that the Russian peacekeepers will give a strong impetus to the political settlement of the Georgian- Abkhazian conflict and facilitate the return of the refugees, Russia's Deputy Foreign Minister Boris Pastukhov told Interfax on Wednesday.

He also said that had not initiated the peacekeeping operation for the sake of some lofty but empty idea. "Tranquility and peace in this region is tantamount to stability in the Caucasus and the south of Russia, although, of course, we are anxious about the Russian guys, who are in the zone of the Abkhazian-Georgian conflict now," he said.

Pastukhov announced that "the Russian forces which constitute the nucleus of the CIS peacekeeping operation, have been deployed on the basic positions." "They are equipping posts and beginning to perform their functions," he said.

He said that the local population had given a warm welcome to the Russian units. "After the arrival of the peacekeeping forces, the population's moods changed for the better. There is more hope now that combat operations will not be resumed," he said.

Pastukhov believes that the dramatic problems of the refugees are in the forefront now. "On the one hand, the return of the refugees must not be spontaneous and unorganized. But on the other, their comeback must not be delayed any longer," he said.

He refused to name the exact number of refugees. He said, however, that according to Georgia, more than 250,000 people had left Abkhazia. "I visited the Gali Region recently. It is empty. The burnt and ruined houses amid the flourishing nature of Kolchis make a shocking sight," said Pastukhov.

Tank Exercise Held in Tajikistan Near Afghan Border

LD2906164194 Moscow Ostankino Television First Channel Network in Russian 1100 GMT 29 Jun 94

[Video report by correspondent Mikhail Nikulin from Tajikistan; from the "Novosti" newscast]

[Announcer Boris Kostenko] Russia's 201st Motor Rifle Division has held a tactical exercise in Tajikistan.

[Nikulin] This was some exercise. The young tank crews of Russia's 201st Motor Rifle Division pitted their skills against mountainous conditions, and tested their ability to withstand 40 degree heat. The latest combat materiel was also tried out. As the military usually say in such circumstances, the exercises were carried out with great skill and many tactical and combat objectives were achieved.

But we were interested in something else. The exercise coincided with the inter-Tajik talks in Tehran. Furthermore, the shooting at practice targets was carried out

very close to the border. What is this, then? A display of strength or a flexing of muscles?

[Begin B. Melnik, deputy commander of a tank regiment, recording] That cannot be said. We are carrying out routine summer combat training. But everybody knows that the officers and men of the 201st Motor Rifle Division are stationed on the border, are protecting the Tajik border. The 201st Division is stationed there together with the Armed Forces of Tajikistan and Russia's border troops. So, those who wanted to test the division and its muscle already know and feel its power. [end recording]

[Nikulin] The border where the men of the 201st Division are serving with Russian border guards as part of the CIS collective peacekeeping forces continues to be unsettled. According to authoritative sources, Tajik opposition guerrillas in Afghanistan are continuing to transfer their armed formations toward the Pamir sector of the border.

Ukraine Elections Reflect Legacy of Divided Nation

PM2906112194 Moscow ROSSIYSKAYA GAZETA in Russian 29 Jun 94 First Edition pp 1, 3

[Article by Vladimir Kuznechevskiy: "Ukraine: Elections Held, Society Split"]

[Excerpts] It would be no exaggeration to say that the elections in the Ukraine were followed with much greater attention abroad than in the republic itself. The results, I have no hesitation in saying, are being awaited impatiently in Russia and the United States, Western Europe, and Moldova. But even 48 hours later the sluggish post-independence state machine has managed to process the voting forms from only 16 of the 27 electoral districts. Of the votes counted in this partial context 35 percent of voters preferred L. Kravchuk and 31 percent, L. Kuchma.

Even before the elections the geographical preference pattern had been accurately predicted by sociological services: Western oblasts prefer the current president, while eastern oblasts prefer the main contender for the post. In practice 90 percent of Ivanofrankivsk Oblast voters, 80 percent of Lviv Oblast voters, 76 percent of Rovno Oblast voters, and 71 percent of Volyn Oblast voters who participated in the election preferred L. Kravchuk, whereas 82 percent of Crimeans preferred L. Kuchma. The former premier has twice as many votes as the president in Donetsk and Luhansk Oblasts. [passage omitted]

One of the main conclusions to be drawn is obviously that, whoever wins on 10 July, he will not be able to ignore the results of these elections. And the main result is that Ukraine is split approximately in half. The cold shower which voters in eastern oblasts have given L. Kravchuk has shown that his reliance on the national radicals in the west of the country is leading society into a blind alley. While L. Kuchma, who advocates Ukraine's integrity, can no longer realize his slogan in practice unless he finds a common languages with the population of the western oblasts.

All the indications are that unless these two leaders draw the appropriate conclusions, the winner at the next elections in the Ukraine will be not A. Moroz or B. Lanovoy, but a Belorussian [as published] version of Zhirinovskiy.

Another conclusion also suggests itself. No matter how the 10 July second round of elections ends, it can already be said that the policy which Leonid Kravchuk has been pursuing since the fall of 1991 has not brought success, to put it mildly. Reliance on the superficially highly attractive slogans of the national radicals in the western oblasts has brought him to political disaster, since how else can you assess the activity of a political leader who has split his country?

The initiator, by his own admission, of the destruction of the Soviet Union in December 1991 in Belovezhskaya Forest, L. Kravchuk—following the same logic in his policy—has split Ukraine in 1994.

His mistake is that his slogan of absolute independence for Ukraine misled the masses of so-called ordinary people. This slogan, based on the fact that Ukraine as part of the USSR produced 34 percent of the steel, 46 percent of the iron ore, 36 percent of the television sets, 56 percent of the sugar, and so forth, should have confirmed that Ukraine is a rich state. Yet this republic was only rich as part of the USSR. Having destroyed its links with the other republics, this state with a population of 52 million has experienced a vicious two-year economic crisis, and all the attributes of state independence have been reduced to proud words, state flags, a national army uniform, and suchlike.

To a certain extent it for this reason (disillusionment) that the turnout of voters in the Ukrainian capital was so low (barely above 50 percent).

One way or another all these factors cannot fail to impact on the second round of the election. What these results will be, we will learn 10 July.

Grachev, Lobov Confer With Visiting NATO Commander

MK2906112094 Moscow KOMMERSANT-DAILY in Russian 29 Jun 94 p 4

[Report by Viktor Zamyatin, Ilya Bulavinov, Vladimir Georgiyev: "The General Chose Not To Discuss Politics"]

[Text] General George Joulwan, NATO's supreme allied commander in Europe, described yesterday's meeting with Pavel Grachev as a culmination of his visit to Moscow, saying NATO wants to be not only Russia's

partner but also its friend. True, so far the sides chose not to specify the political aspects of this friendship.

Joulwan's visit to Moscow was planned long ago and did not depend on Russia's signing the Partnership for Peace program. Now, as Andrey Kozyrev said at a meeting with the general, the visit can be seen as concrete manifestation of Partnership. The head of the Russian Foreign Ministry was, as usual, allegoric: He compared Russia's joining Partnership to the opening of a railway line and Joulwan's visit to the establishment of a specific timetable. According to Kozyrev, it is planned to include into this "timetable" five to six joint Russian-NATO games.

In the course of talks between Joulwan and Pavel Grachev joint peacekeeping operations were described as a high priority in Russia's relations with NATO. Yet, the Russian minister believes, the interests of both sides should be reckoned with. Questioned how they will be considered in the process of consultations, Joulwan preferred not to answer: This is a matter for politicians, and he is a military man. Therefore he concentrated on practical problems: He reached agreement with Grachev on opening NATO's permanent mission with the Russian Defense Ministry and the Defense Ministry mission with the NATO Allied Command, and setting up an emergency hot line between the NATO Allied Command and the Russian Armed Forces General Staff.

Russian Security Council Secretary Oleg Lobov drew Joulwan's attention to difficulties involved in implementing the Partnership program: In his opinion, not all politicians in the West understand what a new Russia is all about. Lobov sought to have his interlocutor believe that the problems of sharing out the Black Sea Fleet or Moscow's peacekeeping actions in the Transcaucasus and Central Asia do not point to a return to its imperial past. Suspicions that Russia continues to develop bacteriological weapons must also be cast aside. Partnership, according to Lobov, should help Russia cut its military spending and release funds for reform.

Norway Notes Interest in Russian-NATO Cooperation

LD2906123994 Moscow ITAR-TASS in English 1137 GMT 29 Jun 94

[By ITAR-TASS correspondent Igor Pshenichnikov]

[Text] Oslo June 29 TASS—Russia's cooperation with NATO is extremely important in itself but to Norway "it is of special interest", Norwegian Defence Minister Jorgen Kosmo told ITAR-TASS in an exclusive interview on Wednesday.

The agreement, concluded on June 22, on large-scale cooperation between Russia and NATO "opens up new possibilities for Norway's close cooperation with its nearest neighbour—Russia", Kosmo said.

Norway is convinced, the minister said, that "it is possible to develop and strengthen Norwegian-Russian contacts in the field of defence and security in the best way under the Partnership-for-Peace programme".

"We are interested in adding specific programmes to the Russia-NATO agreement, which could contribute to further strengthening goodneigbourly relations between Norway and Russia.

"Russia—a great power with a huge population—possesses an economic potential, nuclear weapons and military might. Considering these factors, there is no need for Russia to ask for a special place within the framework of cooperation with NATO. Russia already holds it due to these circumstances.

"Your country does not need to sign a special document to specify its special role. Without any special agreements, Russia can exert a great influence on the development of the Partnership-for-Peace programme and on the political situation in Europe as a whole.

"It remains for Russia only to act as befits a great power," the Norwegian defence minister emphasised.

WWII Restitution List Submitted to Germany

LD2906145394 Moscow ITAR-TASS in English 1355 GMT 29 Jun 94

[By ITAR-TASS correspondent Gennadiy Kulbitskiy]

[Text] Bonn June 29 TASS—Russia has submitted to German authorities a list of 40,000 cultural valuables taken out of the country during World War Two and the chief negotiator indicated that many problems are yet to be solved before a solution is found.

Russian Deputy Culture Minister Mikhail Shvydkoy told TASS on Wednesday that Russian experts "have completed intense work to compile a true list of our losses" which concern, in particular, the Catherine Palace in Pushkino, a palace in Pavlovsk and a museum in Orel.

Shvydkoy, who is heading the Russian delegation at the current restitution talks in Germany, admitted that contradictions do exist. Russia opposes the German idea that the restitution problem is to be solved by political means and insists on a legal settlement.

Additionally, "there are many war veterans in Russia to whom it will be hard to explain why we have to hand over some valuables and get nothing in return. This is the root cause of our differences with the German side. We are strongly against granting equal rights to the countries one of which is the aggressor and other the victim of aggression," Shvydkoy said.

He stressed that Germany's valuables brought to the Soviet Union by decision of state organisations are Russia's property. However, things smuggled out of Germany by private persons must be returned. The

valuables that belonged to German religious and charity organisations were not allowed to be taken out of the country, he said.

Another problem is the articles that belonged to individuals or third countries. For example, if Germany had brought something from France and later it was brought to Russia, these things cannot be treated as German property. "We are seeking to make the process of restitution legal without damaging Russia's interests," Shvydkoy said.

"We cannot agree with the German side that this process will not be compensatory. It must be a road with two-way traffic. The return of valuables from Russia must be linked to the return of valuables from Germany," he continued.

Additionally, if Germany cannot trace a particular thing and is ready to give up the search, it must pay compensation which will be used to support Russian culture. "We are strongly against using this money in other spheres, that is trading a painting for a kilo of sausage or equipment for a brewery. Our commission considers it barbaric," Shvydkoy said.

FCS Head Previews Meetings With FBI Director

LD2906170994 Moscow ITAR-TASS in English 1451 GMT 29 Jun 94

[By ITAR-TASS correspondent Tamara Zamyatina]

[Text] Moscow June 29 TASS—On the eve of a meeting with Director of the U.S. Federal Bureau of Investigation Louis Freeh scheduled for July 4, head of the Federal Counterintelligence Service [FCS] of Russia Sergey Stepashin informed that this would be the first personal contact between chiefs of counterintelligence of the two countries.

Sergey Stepashin was today a guest of the club of editors-in- chief of Russian news media at the ITAR-TASS news agency in Moscow.

The director of the Federal Counterintelligence Service elaborated that one of the aims of Louis Freeh's visit to Russia would be the opening of a FBI office in Moscow.

Sergey Stepashin also said that the FBI director was concerned about an access of Russian mafia to nuclear technology.

Incidentally, the director of the Federal Counterintelligence Service of Russia himself rules out such a possibility. He intends to ask his American counterpart to present documents or information confirming the danger of nuclear terrorism in Russia, otherwise FBI's interest in this problem may be interpreted by the Russian opposition as an aspiration of the United States to establish control over nuclear objects on the territory of the Russian Federation.

It is noteworthy that the American side does not offer the Federal Counterintelligence Service of Russia to open its office in the United States. According to Sergey Stepashin, such an agreement was reached only with Germany, France, Czech Republic and Poland.

In addition to meetings with the director of the Federal Counterintelligence Service of Russia, chief of the U.S. Federal Bureau of Investigation Louis Freeh also intends to meet with Yuriy Baturin, assistant to the Russian president on national security, and Russian Interior Minister Viktor Yerin.

Freeh Visit To Focus on Organized Crime

PM2906155694 Moscow IZVESTIYA in Russian 29 Jun 94 p 3

[Report by Vladimir Nadein: "FBI Is Ready To Take on Russian Mafia"]

[Text] Washington—FBI Director Louis Freeh will spend the coming week in a number of Central and East European countries. Naturally, he is also visiting Moscow. He cannot fail to visit Moscow. Because the main topic of his visit is "Russian crime."

In this instance you cannot avoid using inverted commas. "Russian crime" is just a term. Its meaning is broader than the words which reflect the phenomenon. Russian crime does not mean crime in Russia. Nor does it mean crime committed by Russians. It does not even mean crime which has carved out a niche for itself in Russia.

The topic of the visit by L. Freeh and five other ranking representatives of the Department of State, the Drug Enforcement Administration, and the Department of the Treasury will be the peculiar status of organized crime in the world, which has now become a fact of life following the collapse of the communist system.

Everything Can Be Bought

"The Criminal World," a book published recently by Claire Sterling, a journalist specializing in organized crime, recounts that, a few hours after the fall of the Berlin Wall in November 1989, Giovanni Tanomento, a well-known Sicilian mafioso who was living in (West) Berlin at the time, received an instruction from his bosses to immediately go on a buying spree in East Berlin. "What exactly should I buy?", the mafioso asked in amazement. His boss replied: "Everything. Restaurants, discotheques, pizzerias, everything."

Judging by initial results, the end of the Cold War was a boon not so much for capitalism, democracy, and the market-oriented economy as for organized crime. In a world of crumbling authority, in a world where people without money, capital, or assets either owned or temporarily controlled immense amounts of wealth on a

quite tenuous basis, in this world of chaos and disorganization there has proved to be no more organized force than crime.

The wholesale arrival of democracy and the weakening or disappearance of carefully guarded national borders has facilitated the international activities of criminal structures to an even greater degree. It become apparent at the recent U.S. Senate hearings from evidence given by leaders of the FBI, Germany's criminal investigation police, and the Russian Ministry of Internal Affairs that the upsurge in organized postcommunist crime has caught everyone unawares. Many experts believe that the pooling of resources and finances by Sicilian godfathers, Colombian drug barons, Japanese "Yakuza" gangsters, and Russian gangs could turn the world into a nightmare compared to which "teetering on the brink of nuclear war" would seem like a transient problem.

Recent history provides several examples of organized crime subsuming whole states. At the U.S. Senate hearings, M. Yegorov, Russian deputy internal affairs minister, repeatedly answered questions on whether criminals could reach the very highest levels of the Russian administration. The general from the Ministry of Internal Affairs did not deny the possibility that organized crime could place its own protege in the Duma or the Federation Council, but he assured the senators that for the foreseeable future the Kremlin was out of the criminals' reach.

In the opinion of C. Sterling, whose book "The Criminal World" we have already cited, Russia has become "the world capital of organized crime." Without denying this threat, the FBI director described such views as "exaggerated and unfounded" at a news conference just before his departure.

He Did Not Read the Decrees [Dekrety]

The FBI director refused to comment on Russian President B.N. Yeltsin's recent decree on urgent measures to combat crime. Journalists asked L. Freeh whether this decree, with all its major restrictions on citizens' civil rights, would really be useful in overcoming organized crime. The director preferred to answer that he had not had time to read the decree.

I have reason to believe that the text of the decree has been made available to the FBI leadership. It is likely that L. Freeh preferred not to complicate relations with his hosts on the eve of his important visit.

On 4 July, Independence Day, one of the most important and solemn U.S. public holidays, Louis Freeh will open an official FBI mission in Moscow. It will not be a purely representative mission. A considerable number of Russian nouveaux riches, happy and shameless possessors of dirty millions, are laundering their money in America or through banking structures directly linked to America. Russian law enforcement organs do not have access to bank secrets in the West and are unlikely to have such access in the future. The FBI has far wider powers.

The FBI's Moscow bureau will enable rapid communications to be established between the two countries' police forces, as well as ensuring that mutual assistance can be offered. At his news conference, the director clearly intimated that he regards the possibilities as limitless, but much will depend on how day-to-day work progresses, how far the two sides can trust each other, and how noticeable the results are.

The second objective of the trip, the program for which includes visits to Ukraine and Belarus, and also Poland, the Czech Republic, Slovakia, and Austria, will be helping to coordinate these countries' police services. Once fairly close, the relations between East European states in this sphere have degenerated into exclusivity and mutual mistrust literally within a matter of months. L. Freeh hopes that it will be possible to restore the professional contacts which are very important in the struggle against organized crime. To this end the United States is planning joint courses for the police forces of East Europe.

Many experts consider it fortunate for the international community that criminal groups are by nature not inclined to coordinate their activities, they are characterized by an insurmountable urge to delineate zones of influence. It is no surprise that, following the collapse of communism, old criminal structures are being squeezed out by new, more brutal, and more aggressive structures.

During the visit the U.S. delegation will suggest to its East European partners that they exploit this fact by establishing a computerized data base. This information will have to be protected from criminal groups which in many countries have their own network of paid agents in the police, the courts, and Prosecutor's Offices.

Everything Is Still in the Future

As a representative of the country which has the longest (and possibly the most successful) record of combating organized crime, L. Freeh warned against unrealistic hopes. He said it would probably never be possible to defeat mafia structures on a national and international scale once and for all. The task was to drive organized crime into a corner, deprive it of its international scope, and severely restrict its potential to move funds around.

Foreign Trade Minister Appraises Corfu Accords With EC

MK2906123094 Moscow MOSKOVSKIYE NOVOSTI in Russian No. 26, 26 Jun-3 Jul 94 (Signed to press 28 Jun) p 5A

[Article by Oleg Davydov, Russian foreign economic relations minister: "Russia and the EC: the Corfu Meeting"]

[Text] The agreement on partnership and cooperation between Russia and the European Community signed by President Yeltsin on the Greek island of Corfu can

without exaggeration be called a document without precedent for post-confrontation Europe. After nearly two years of intense negotiations, the main parameters and conditions for new cooperation between Moscow and the economic union of 12 leading European states were finally defined.

The necessity of concluding such an agreement was prompted by new geopolitical realities. The breakup of the USSR, the disintegration of the socialist camp and with it of the notorious Comecon, reoriented foreign economic activity by Russian enterprises toward the EC. Their performance and the condition of our economy as a whole became increasingly dependent on access to European markets.

Today the EC is Russia's largest trade and economic partner. In 1993 it accounted for more than 35 percent of its trade with distant foreign lands, including 36 percent of Russian exports and 35 percent of imports. The EC countries are the main investor in Russia's economy while the community's market is the main market for Russian strategic exports. We buy a substantial part of agricultural products, machinery, and other requisite goods in the EC.

Apparently in the future the EC region, which accounts for more than two-fifths of world trade, will be playing the role of Russia's leading business partner. Experts estimate that after the Community's expansion with the Scandinavian countries and Austria, its share in trade with Russia could increase nearly 1.5 times, reaching 44 percent. One should also not forget that our former Comecon partners—East European countries—are standing on the EC threshold and in the longer term the Community could be joined by the Baltic states. So far only Switzerland and Albania are the sole European states to the west of the CIS external borders that are not asking to be admitted "under the roof" of the Community.

In its turn Russia is the largest political and trade partner for the EC among the countries of the former USSR. It makes up approximately 85 percent of EC trade with the CIS countries and some 70 percent of all Western commitments on credit, technical and humanitarian assistance to the former Soviet republics. In recent months a large number of EC member states, interested in establishing long-term links, have hastened to Russia. This also includes investment cooperation.

At the same time, the EC's and Russia's movement toward each other has until recently been substantially hampered by the absence of a corresponding legal regime while trade barriers with respect to Russian goods such as uranium and aluminum even gave some experts cause to talk about a new "iron curtain." After all, the agreement, inherited from the Soviet era, between the USSR and the EC and Euratom on trade, commercial, and economic cooperation, signed in 1989, was geared toward interaction between fundamentally different economic systems. It was rather primitive, addressing only matters of a trade regime, moreover in a spirit discriminatory to Russia. Therefore the need to conclude a new agreement that would extend to Russia rules uniform for all Community countries has grown urgent.

What does the Corfu agreement mean for Russia? One of the conditions enshrined in it is the creation, after 1998, of a zone of free trade with the EC. This involves not only a free flow of goods but also freedom of incorporation, trade in services, and capital movement. It is also important that the EC has recognized Russia as a country with a transitional economy, abandoning its treatment as a country with a state trade system. This underlies the EC's abolition of former tough trade discrimination. Furthermore, for the first time in international legal practice, Russia, which is not a party to GATT, has managed to incorporate into the agreement direct references to a number of its key provisions. As a result, the EC will fully lift quotas on imports from Russia which up until recently covered more than 600 goods.

As far as the political dialogue between Russia and the EC goes, the agreement stipulates the establishment of a system of consultations on the entire range of international and economic problems. To this end meetings between the president of Russia and the EC leadership will be held at least twice a year. Dialogue at ministerial level will proceed within the framework of a Cooperation Council to be set up. A Parliamentary Cooperation Committee is also to be formed with deputies of the Russian Federal Assembly and members of the Europarliament.

Today the main goal set forth by Russia at the start of negotiations with the EC has been accomplished: Moscow has managed to create favorable conditions for economic interaction with the "club" of leading European countries. Russia has stepped over the threshold of Europe.

Political Issues

Yeltsin Aide Criticizes Shumeyko Election Proposal

LD2906130694 Moscow ITAR-TASS in English 1253 GMT 29 Jun 94

[By ITAR-TASS correspondent Tamara Zamyatina]

[Text] Moscow June 29 TASS—Russian President Boris Yeltsin's top adviser Yuriy Baturin has denied newspaper reports that he had allegedly been authorised to work out recommendations on a moratorium on presidential and parliamentary elections in Russia.

In an interview with ITAR-TASS on Wednesday, Baturin who acts as a national security adviser to President Yeltsin, said that "he has not been charged with preparing an analytical memo on a moratorium on presidential and parliamentary elections for a certain period of time."

Moreover, he stressed that he "does not like" Federal Council Chairman Vladimir Shumeyko's initiative to extend the mandates of the deputies of the Federal Assembly for two more years.

This position is shared by Yeltsin's chief of staff Sergey Filatov who has also opposed Shumeyko's idea.

Shakhray Says Extension of Electoral Term Dangerous

LD2906134794 Moscow ITAR-TASS in English 1201 GMT 29 Jun 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

[Text] Moscow June 29 TASS—All political forces now in power in Russia stand to gain from the proposed extension of the term of office of the parliament and the president. However, this could dangerously exacerbate tensions in society. Another political conflict can develop as early as this coming autumn and reach a dangerous point in a year or two. This is an opinion voiced by Sergey Shakhray, vice premier of the Russian Government and leader of the Russian Party of Unity and Concord (PRES), at a press conference here today.

He said he was prepared to step down as deputy of the State Duma after the expiry of the two-year term of the Federal Assembly of the first convocation. Shakhray made it clear, nonetheless, that the final decision on the issue would be adopted on June 3-4 at a meeting of the party's federal council.

Says 'No Personal Judgment' on Extending Term

MK3006092094 Moscow NEZAVISIMAYA GAZETA in Russian 30 Jun 94 p 1

[Radik Batyrshin report in the "Russian Federation" column: "The North Will Not Be Left Without Fuel and Food. Vice Premier Sergey Shakhray's Trip Has Been Fruitful"]

[Text] "Supplies to northern areas will be on the whole ensured," said Sergey Shakhray at a press conference in the Russian House of Government yesterday. The vice premier had returned from an extensive trip across Siberia where together with a government commission he "lobbied" for fuel and food supplies for the north. According to Sergey Shakhray, the "small council of people's commissars" headed by him visited 12 Russian Federation components and established that the most alarming situation exists in Yakutia and Irkutsk Oblast: an acute shortage of funds. The vice premier reported that a federal budget fund, entrusted with two tasks, has been set up to ensure supplies to the North. The first is to allocate funds for centralized cargo shipments to the North. The second is to secure budget loans at one-third the Central Bank credit rate (56 percent) to a term of not more than 20 months (a typical term for capital turnover in the Russian North). The government commission has managed to make sure that the suppliers agree to ship fuel and food without advance payment, only against financial guarantees. The list of goods for delivery was strictly limited: It includes only oil products, coal, six types of foodstuffs, and the most essential equipment for public utilities—not more than 65 percent of the North's needs.

Commenting on a statement by his party colleague Konstantin Zatulin to the effect that Ukraine is a "log on Russia's feet," Sergey Shakhray stressed that this statement, as well as an appeal to vote for Leonid Kuchma, was not coordinated by the chairman of the Duma's CIS Affairs Committee with faction members and is his personal opinion. "I consider this statement to be improper; this is no way to behave within the CIS," the PRES [Party of Russian Unity and Accord] leader said. According to him, this statement by Konstantin Zatulin, just like his two previous ones, which "shocked CIS ambassadors," will become a subject of consideration at the PRES federal council session on 4-5 July.

"I have no personal judgment on proposals for extending the term of federal power bodies for another two years," Sergey Shakhray stressed. He will not have a final position until after the PRES federal council session. But, in the vice premier's opinion, the main argument in favor of extending the president's and parliament's powers for two years is a "convergence of interests of various political groups." According to the PRES leader, first among them is the deputy corps of the Federal Assembly, which has a vested interest in extending its powers. Sergey Shakhray said in jest that this interest is so high that few would object to the formula: "first two

years, then four, six, and then by inheritance." Another political group interested in putting off the elections are administration heads in krays and oblasts. The extension of presidential powers automatically means preservation of governors' chairs. Members of the federal government have a similar incentive. Sergey Shakhray is sure that in spite of loud protests, the opposition also is interested in the presidential and parliamentary terms' being extended. According to him, in the absence of a strong presidential candidate most of the opposition prefers to wait for another two years. Furthermore, should his powers be prolonged, Yeltsin will stay in his post for two, not four, years, because his reelection is virtually inevitable. The only person who will insist on presidential elections in 1996 is Aleksandr Rutskoy and also that part of the opposition not represented in parliament.

Prospects of Election Delay Seen Rising

MK2906111094 Moscow NEZAVISIMAYA GAZETA in Russian 29 Jun 94 p 1

[Yevgeniy Krasnikov report in the "Power" column: "Will Presidential Elections Be Held on Schedule? The Likelihood of This Happening Diminishes in Spite of Protestations to the Contrary"]

[Text] Quite clearly the incumbent Russian authorities have begun intensively, but cautiously, to probe public opinion: What would be the reaction if elections are postponed?

A week ago upper chamber speaker Vladimir Shumeyko stated that he deems it expedient to delay elections of the president and Federal Assembly deputies for two years while, according to him, Yeltsin and Rybkin do not object to this "in principle." The comments that followed this were rather chaotic. Rybkin said that the country is in a state of "electoral fatigue," but the deputies are yet to deserve an extension of their powers by fruitful legislative work. Georgiy Satarov unexpectedly announced that Yeltsin is against his presidential powers being extended. Presidential press secretary Vyacheslav Kostikov first observed that the idea of postponing elections has long been in the air, and then added that he had first heard about it from Burbulis.

Summing up the comments made, however, it needs to be recognized that the idea articulated by Vladimir Shumeyko has generally evoked a fairly positive reaction among highly placed representatives of the executive and legislative branches.

There is no doubt that Shumeyko's statement was not extemporaneous (he openly admitted that he did it to clarify the lineup of forces in society). According to information in NEZAVISIMAYA GAZETA's possession, the decision to probe Russian public opinion was made back in early spring after presidential experts summed up the results of the December elections.

By now a memorandum has been prepared in Yeltsin's entourage, On Possible Steps to Stabilize the Political Situation in Russia, which sets out a practical mechanism for "enforcing a moratorium on elections to the Federal Assembly and presidential elections for an indefinite period."

So far it is hard to tell with certainty who the author of this document is, but according to some reports, it came from the office of a well-known lawyer, one of the authors of Edict 1400. It needs to be pointed out that there is a certain disagreement between Vladimir Shumeyko's proposal to "throw in" an additional two years to both the president and the deputies and the recommendation contained in the document "on extending the term of the Federal Assembly by at least two years and prolonging the president's powers to a full term (up to the year 2001)."

The scenario worked out envisions promoting a discussion this summer around this proposition and an atmosphere of support, in particular through presentations by administration heads of key regions; and also holding a forum of democratic forces in Moscow in support of this initiative. In September it is planned to hold a conference of organizations that have signed the Public Accord Pact and to adopt there a statement in support of the initiative to move the election date. In October this idea is to be submitted to the Federal Assembly. In the event that there is not enough support, this question, "by means of a presidential edict," may be put to a Russia-wide referendum in spring or summer 1995.

Judging by statements from some well-known political figures, they are aware of this scenario and have accepted it as guidance for action. For instance, in approving the power extension proposal, Sergey Shakhray expressed the opinion that it can be carried out in such "an original manner as the prolongation of the Public Accord Pact." A few days ago INTERFAX reported "a highly placed representative in the Kremlin administration" as saying that "the president of Russia could hold a referendum on extending the head of state's powers for another term."

It is no accident that this proposal has been given such publicity now. In summer the political and economic situation in the country has in general relatively stabilized. There is no reason to suppose, however, that stabilization will continue also in fall. In this situation such an initiative can set the president off as a leader capable of ensuring public accord and overcoming the crisis. It is quite possible that the majority of Russians will see as simple and convincing the decision to abandon formal democracy in the name of real stability. Especially since it will be substantiated by the expediency of saving funds which would have been spent on elections and can instead be used to address socioeconomic problems. An important additional argument in favor of a postponement of the elections can also be demonstration of the danger of a possible advent to power by destructive forces capable of destabilizing the situation.

No doubt, if this scenario is followed, the image of the president and his entourage will be changing intensively. The presidential administration will continue an "open season" on radical democrats, while President Yeltsin himself will emerge as not only a Russian, but also a post-Soviet, patriot. According to some reports, in the very near future he intends to come out with an initiative for creating, on the CIS basis, a new union which could act as a full-fledged partner of the European Economic Community. Therefore by this fall Yeltsin can emerge as a reformer-leader simultaneously in three facets: as a guarantor of stability inside Russia, a leader of a new post-Soviet community, and a protector of Eurasian interests from encroachments by the West.

A well-meaning attitude on the part of leading Western countries will be critical for implementing this scenario. In all likelihood, however, there will be no particular problems here. Germany fears the rise of national-extremist sentiments in Russia and is ready to turn a blind eye to a "temporary limitation of democracy" in order to have a stable neighbor.

The United States is more restrained toward a postponement of scheduled elections. It is not ruled out that the Senate, Congress, and U.S. public will tend to regard such a decision by Boris Yeltsin as a move toward neo-totalitarianism. However, scenario authors hope, Yeltsin will manage to convince Clinton about the expediency of measures proposed in the course of their upcoming meeting this September.

Kryuchkov Testifies on Western Plans To Split USSR

LD2906182294 Moscow INTERFAX in English 1628 GMT 29 Jun 94

[Text] According to intelligence information which the Soviet KGB had in 1991, the West was nursing plans to split the Soviet Union, former KGB chief Vladimir Kryuchkov testified as a witness at the trial of former Soviet defense minister Valentin Varennikov. He said that the plan was intended for a period of 25-30 years.

Kryuchkov also announced that he had informed Gorbachev of those plans on many occasions and about the growing centrifugal tendencies.

He said that by the summer of 1991 the Soviet leadership had realized that a catastrophe would occur if the course of events was not adjusted. Until the last moment, the 1991 coup leaders had hoped that Gorbachev would take the necessary measures to prevent the split of the state. He did not, said Kryuchkov.

"The blame for the failure to check the destructive process rests with me as the KGB chairman," he said.

He announced that Gorbachev's hotline in his Crimean dacha in Foros had been cut off on his instruction. "I knew Gorbachev and wanted to give him an opportunity to take decisions on his own," he said.

The hotline was switched off on August 18, 1991, shortly before the coup leaders, including Valentin Varennikov, arrived in Foros.

However, communication with the presidential limo was maintained and Gorbachev could get in touch with any place in the world if he wanted to, said Kryuchkov.

On Thursday, the court will hear the evidence of former vice chairman of the Soviet Defense Council Oleg Baklanov.

FIS Remains Part of World Intelligence 'Club'

PM2906123194 Moscow NTV in Russian 1800 GMT 10 Jun 94

[From the "Today" newscast: "Special report" by M. Maksimovskaya and Leonid Vasilyev]

[Text] [Maksimovskaya] All sorts of rumors have circulated about this place for the past 20 years. Since the early seventies, the headquarters of the Foreign Intelligence Service has been based here.

This facility is located right next to a densely populated district of Moscow, but the closed zone starts several hundred meters before the main fence and the whole complex of buildings within its perimeter. Essentially, it is a whole city with its own stores, sports and service amenities, laboratories, and ordinary offices. It is forbidden to approach the closed zone, let alone video it. An exception has been made for our camera team. But we are allowed to film only the buildings here, and under no circumstances the people, whose place of work is a closely kept secret.

In recent years Russian intelligence has become much more open and frank in comparison with times gone by, but there are still reminders of old secrets.

[Maksimovskaya] This was the first test of a Soviet atom bomb at an open test range. The explosion ocurred at the preset altitude with a deviation of 280 meters from the target.

Masses of people worked on building our atom bomb, including the most talented Soviet scientists. However, now more and more claims are cropping up to the effect that complete designs of the atom bomb were simply stolen by our spies and handed over to the scientists.

[Vyacheslav Trubnikov, first deputy chairman of the Foreign Intelligence Service] The intelligence service has its own achievements; we do not need to claim other people's. It is one of our own scientists' main achievements that they built the atom bomb, and built it independently. It would have been impossible to build it if our science had not reached the level necessary to grasp the secrets of the atomic nucleus.

[Maksimovskaya] But although it was the work of scientists which ultimately determined success, nobody denies the role of the intelligence service in building our

bomb. It is no accident that the Soviet intelligence service always ranked among the world's strongest intelligence services.

[Trubnikov] As a rule these are the intelligence services of strong, sovereign states. Unquestionably, Russian intelligence is part of the club, along with the CIA, along with SIS, along with the Israeli MOSSAD.

[Maksimovskaya] Following the collapse of the Union and changes in the international political situation the work methods of Russian intelligence have changed too. It has moved away from a worldwide presence and closed down around 40 percent of its residencies in regions of no interest to Russia. Nowadays Russian intelligence does not use blackmail or special substances which can harm people's health. The very concept of "enemy" has disappeared. Gradually relations are being established with many foreign special services. For example, the Russian Foreign Intelligence Service even has its own official representative in America.

[Trubnikov] This collaboration is mutually beneficial, of course. And, most importantly, it makes provision for the complete independence of each of the special services.

[Maksimovskaya] Naturally, the independent intelligence services do not swap state secrets. They work together to combat international terrrorism, organized crime, and drug trafficking. And although rivalry between the special services continues, it seems that the rules are changing.

Marianna Maksimovskaya, Leonid Vasilev reporting for NTV.

Shakhray Says Yeltsin, Dudayev Meeting Possible

LD2906180494 Moscow ITAR-TASS in English 1532 GMT 29 Jun 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

[Text] Moscow June 29 TASS—Russian Vice-Prime Minister Sergey Shakhray said that a meeting between Russian President Boris Yeltsin and Chechen leader Dzhokhar Dudayev is quite possible, considering the political situation in and around the Chechen republic.

Speaking at a news conference in Moscow on Wednesday, Shakhray stressed that good preparatory work is one of the major conditions for launching a direct dialogue between Yeltsin and Dudayev.

Shakhray believes it would be acceptable for Russia if the dialogue focuses on sharing powers between Moscow and Groznyy. He pointed out the need to take into account the fact that Dudayev holds more than 50 per cent of all power reigns in the Chechen Republic. On the other hand he noted that the solution of the Chechen problem is to be found in Moscow because the republic's economy heavily depends on Russia.

Moscow and Groznyy are equally interested in the soonest possible settlement of the conflict, Shakhray continued. It is also vital for peace in North Ossetia and Ingushetia and in the Northern Caucasus on the whole, he said.

Abdulatipov on Preparations for Talks With Chechnya

LD2906164294 Moscow INTERFAX in English 1306 GMT 29 Jun 94

[Text] Deputy Chairman of the Russian Federation Council Ramazan Abdulatipov spoke against speculations around the Chechen and the Ossetian-Ingush issues. He said in an interview with INTERFAX that certain politicians were trying to gain political authority speculating on the two issues which are of central importance for Russia.

Abdulatipov said he had in mind the information, circulated last week, that the Russian president had appointed head of one of the North Caucasian regional organizations Shmidt Dzoblayev for meetings with the Chechen leader.

This is pure misinformation, according to which this so-called politician is even holding press conferences on the results of his visit, although neither the Ingush president nor the Chechen president received him, Abdulatipov said.

Abdulatipov recommended that preparations for the Russian-Chechen talks and the talks themselves be directed by a single person especially appointed by the president. Abdulatipov said he believed that both the Russian and Chechen parties must be satisfied with this person.

Interior Minister Outlines Ministry's Main Tasks

LD2906182494 Moscow ITAR-TASS in English 1631 GMT 29 Jun 94

[By ITAR-TASS correspondent Olga Semyonova]

[Text] Moscow June 29 TASS—"Our major task is to ensure the safety, the rights and the legitimate interests of citizens. Fighting crime is a means of and prerequisite for enforcing these rights," Russian interior Minister Viktor Yerin said.

In his opening remarks at a meeting with law enforcement chiefs in Moscow on Wednesday, Yerin said that many of the meeting participants worked through the night to coordinate the operation to free the hostages in Minerainye Vody.

The meeting was also attended by representatives of the Federation Council, the upper house of parliament, the State Duma, the lower house, the Supreme Court, the Public Prosecutor's Office, the Federal Counterintelligence Service and the government.

The main speaker was First Deputy Head of the Main Administration for Fighting Organised Crime Major-General Gennadiy Chebotaryov. He touched upon a wide array of issues of crime fighting in Russia.

Head of the Interior Ministry Press Centre Vladimir Vorozhtsov told ITAR-TASS that it was a regular meeting. Its topic "the state of anti-crime campaign and measures to step it up" had been decided in accordance with a December 1993 resolution of the Russian Supreme Court long before the presidential decree on fighting gangsterism and other manifestations of organised crime in Russia.

Social Accord Treaty Conciliatory Commission Sits

PM2906135794 Moscow IZVESTIYA in Russian 29 Jun 94 p 4

[Report by Anatoliy Stepovoy: "Power and Society: Today There Is More Trust Than Yesterday"]

[Text] The first session of the conciliation commission for the implementation of the Treaty on Social Accord, formed in line with the Russian Federation president's edict of 9 June this year, was held 28 June in Moscow under the chairmanship of S. Filatov. Sitting on the commission were such well known public and state figures as A. Sobchak, Yu. Yarov, A. Shokhin, A. Fedulova, A. Volskiy, R. Abdulatipov, Ye. Yasin, and others.

At their session members of the conciliation commission examined the progress of the treaty's implementation. As of today 863 representatives of parties, trade unions, creeds, and various organizations have signed the text of this document. Participants in this session noted with approval that a calming process has begun in society, favorably influencing the implementation of reforms in the country. This process has been assisted by the monthly reduction [as published] of inflation to 10 percent; the population's monetary income in real terms has increased; over the past six months the number of people living below the poverty line has decreased by 10 million.

But there are also alarming factors. Thus over the same period the number unemployed has grown from 900,000 to 1.2 million—and those are just those officially registered. In reality, Russia has more than 4 million people out of work, which constitutes 6 percent of the total active population. The majority of these are women of prepension age and young people. These and a number of other economic problems, of course, cannot help but influence the general climate in society.

Members of the conciliatory commission see their main task as the elaboration a mechanism to link civil society with the structures of power, the timely unearthing of the seeds of growing conflicts, and the aversion of such conflicts.

Conciliatory commission members A. Sobchak, A. Volskiy, and certain others condemned the initiative of V. Shumeyko, the speaker of the Federation Council, who advocates extending the terms of power of the power structures. They called such actions an attempt to resolve important state questions by unconstitutional means. Such a statement from the mouth of a high-ranking official who has signed the treaty was described as unacceptable and not corresponding to the spirit or the letter of this document.

A decision was adopted to hold sessions of the conciliatory commission every month.

More on Commission Session

PM2906134194 Moscow ROSSIYSKAYA GAZETA in Russian 29 Jun 94 First Edition p 2

[Report by Aleksandr Batygin: "Bridges of Confidence. Civil Accord Treaty Reassures Society"]

[Text] The first session of the Conciliation Commission for the Implementation of the Social Accord Treaty was held in Moscow yesterday.

Its chairman, Sergey Filatov, stressed that the document—which has now been signed by 863 representatives of various parties, associations, unions, and groups—has brought to Russian society the reassurance that is so important for the implementation of reform.

The Conciliation Commission members, including representatives of the Russian Federation president, the Federation Council, the State Duma, the government, and the Public Chamber, took cognizance of the information on the results of the signing of the document and moved immediately to a discussion of how specifically to implement the treaty. One of its main sections is devoted to socioeconomic problems. Understandably so: The acute problems in the economic sphere can only be resolved under conditions of civil peace and order.

Yakov Urinson, deputy minister of economics, noted in his speech that the recession has stabilized over the last three months and the financial and lending mechanisms set up during the years of reform have really started working. Inflation is steadily on the way down—it will be below 7 percent in June.

But it is still too soon to be talking about prosperity in the economy. The government is particularly concerned about unpaid debts—they exceed fourfold the funds held in enterprise accounts. Commodity producers are proving slow to adapt to the new conditions. Unemployment is on the increase. Whereas the official figures say that it has reached 1.2 million, in actual fact it has increased to 4 million. So-called depressed regions have emerged, where unemployment has become chronic.

Anatoliy Sobchak, cochairman of the Public Chamber, announced for his part that five commissions have already started work on the most important sections of the treaty. Their main tasks are to elaborate mechanisms

for communication between civil society and the power structures and to define priority areas where the seeds of social and political conflicts have been sown.

A. Sobchak's statement that 500 more children had been born in St. Petersburg in the last six months than in the first half of 1993 caused a stir in the auditorium.

"For me this is the most important sign of stabilization in the country," the St. Petersburg mayor happily noted.

Indeed, people do not have children when times are troubled....

"It is impossible to ensure human rights without normal legislation," Ruslan Orekhov, chief of the Russian Federation president's Main Legal Administration [as published], said in his speech.

In his opinion, a state of emergency should not be introduced in the country to combat crime, since we have the Constitution and the Criminal Code; it is necessary to organize work properly.

The Conciliation Commission members also touched on the subject of the possible extension of deputies' mandates. Some people tried to persuade those present at Staraya Ploshchad to dispute Federal Assembly Chairman Vladimir Shumeyko's statement on this subject on the grounds that it did not correspond to the Treaty of Accord. Federal Assembly Deputy Speaker Ramazan Abdulatipov warned his colleagues against any kind of Politburo-style debate.

Zhirinovskiy Banned From Nuclear Center Visit

PM3006092994 Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian 30 Jun 94 p 2

[Report by Oleg Volkov under the "Scandals" rubric: "Why Zhirinovskiy Was Not Admitted to Arzamas-16"]

[Text] Vladimir Volfovich has been prevented from taking a look at a real atom bomb—the very thing with which he periodically threatens his rivals.

As is known, during his tour of Nizhniy Novgorod Oblast the leader of the LDPR [Liberal Democratic Party of Russia] intended also to visit Arzamas-16, the closed city of nuclear weapons developers, in order to familiarize himself on the spot with the life of nuclear scientists and also, at the same time, to inspect the local party cell. On Monday, however, a letter signed personally by Viktor Mikhaylov, minister for atomic energy, arrived in Arzamas, banning Mr. Zhirinovskiy from the city in the strictest possible terms.

It was explained to NOVAYA YEZHEDNEVNAYA GAZETA's correspondent at the Ministry of Atomic Energy that Vladimir Volfovich himself was to blame: He had counted on his status as a deputy and totally ignored the usual formalities when visiting secret installations—an entry pass, etc. Ministry specialists on procedure had consulted with legal experts, studied the law on the people's deputy, and arrived at the depressing conclusion for the LDPR leader that his personal qualities and public position absolutely do not give him the right to cross the boundary of a closed installation, even if he does not intend to look at an atom bomb but wants, for example, to make a pilgrimage to the Sarovskaya Hermitage. "The regime is the same for everyone, and exceptions are not made either for ministers or for generals or for Duma leaders!" it was explained to me.

But the procedure specialists did not venture to issue a refusal on their own (as they usually do if it is a question of ordinary citizens or journalists)—they evidently deemed their rank unconvincing for such a colorful and famous figure as Vladimir Volfovich. In order to block Zhirinovskiy's way to Arzamas, therefore, they had to wait for the minister himself; but first Viktor Mikhaylov was on a visit to the United States and then he was attending the festivities marking the 40th anniversary of the first nuclear electric power station at Obninsk....

So the efforts of the LDPR's representative in Arzamas-16, who had already agreed the program for Zhirinovskiy's visit with the leadership of the city and of the institute (a meeting with scientists, a rally, and a news conference at one of the local newspapers), were wasted. We can only guess at where the offended Vladimir Volfovich will promise to send V. Mikhaylov if he comes to power. NOVAYA YEZHEDNEVNAYA GAZETA's forecast: The minister is "threatened" with the uranium mines, at the very least.

Economic Issues

Stabler Financial Situation Encourages Investment

PM2906122794 Moscow IZVESTIYA in Russian 29 Jun 94 p 2

[Report by Aleksandr Shalnev: "Russian Authorities Will Now Regularly Consult With Western Investors"]

[Text] Russia's gold and hard currency reserves increased threefold last year, and as of the beginning of June this year were worth $5.6 billion. And this despite the massive intervention in the currency markets which the Central Bank had to resort to in order, as Central Bank Chairman Viktor Gerashchenko put it, to ensure a "smooth reduction in the exchange rate of the ruble."

The figures cited by the head of the Central Bank produced a favorable impression on the Western investors taking part in the inaugural session of the Russian Government's Council for Foreign Investments. The figures provided yet another piece of concrete corroboration of the thesis which has run throughout the speeches of Chernomyrdin and the ministers of his government that the financial situation in Russia is

actually stabilizing and that consequently the conditions necessary for active investment in the Russian economy are being created.

Conversations with the leaders of the major corporations invited to the council by our government indicate a certain shift in the mood and intentions of potential investors of money in Russia. They are still playing a waiting game, but they now, as could be judged, have their eyes focused not on the distant but the very near future. To be precise, on the fall when, according to V. Shumeyko, speaker of the upper chamber of parliament, a series of legislative acts creating a proper investment climate are due to appear.

If a certain skepticism was also expressed, this was provoked by recollection of the fact, for example, that many of the brilliant initiatives taken in Russia simply fail to be put into practice.

But the mood was, I would stress, positive on the whole.

As is customary, a communique was issued on the results of the meeting, which stressed the need to hold the council at least twice a year. The next session will again take place in Moscow, on 20-21 November. It was resolved to increase the number of participants in the council, this being done chiefly by including those G-7 countries which were not represented in Moscow this time—Italy, France, and Britain.

For reasons outside their control, the council participants arrived 12 minutes late for their meeting with the president at the Kremlin. The president observed to them that "foreign investors are arriving in Russia with the same tardiness as you." The meeting proceeded in an amicable atmosphere on the whole, but the president was pretty categorical when he said: I regard references to the high political risk run by foreign investors in our country as out of date.

At the final press conference Prime Minister Viktor Chernomyrdin stressed that "the meeting in the Kremlin strengthened mutual confidence in each other's intentions. A green light has been given to the foreign investment express train in Russia. And that is the most important result of the sessions."

Council for Foreign Investment Set Up

LD2906132794 Moscow ITAR-TASS in English 1112 GMT 29 Jun 94

[By BUSINESS-TASS correspondent Robert Serebrennikov]

[Text] Moscow June 29 TASS—First Russian Deputy Economics Minister Yakov Urinson has described the creation of a consultative committee for foreign investments into Russia set up under the Russian Government as "a very positive" factor. Urinson commented on the results of a meeting between heads of world corporations and the Russian Government which was held in Moscow.

The consultative council is led by the Chairman of the Russian Government Viktor Chernomyrdin and ministers of the Russian cabinet are expected to take an active part in it. "The council has incorporated all participants in the Moscow meeting, including presidents, board chairmen of the largest Western industrial and financial companies, including the ABB, Coca-Cola, United Technologies and Gulf Canada," Urinson said.

The council is open for other participants to join: Leading companies from France, Italy, Great Britain and other countries are expected to take part in its work.

Three working groups have been set up, including a group for the investment climate, taxation legislation and the creation of a normal image of the Russian economy abroad. The working groups will meet in session at the end of August and in September. The next session of the consultative council with broad participation is scheduled in November 21-22.

"The process of foreign investments has begun," Urinson said. In his opinion, the process is being promoted by the improvement of the real investment climate in the country, post-voucher privatisation, stable low inflation rates, the reduction of a discount rate in banks and the creation of a predictable situation for investments in Russia.

Duma Official Opposes Proposed Anticrime Tax

LD2906122394 Moscow ITAR-TASS in English 1121 GMT 29 Jun 94

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

[Text] Moscow June 29 TASS—It would be unreasonable to replenish the budget of law enforcement agencies resultant of introducing an additional anti-crime tax, Viktor Ilyukhin, chairman of the State Duma Committee on Security, told ITAR-TASS in comment on a pronouncement by Acting Finance Minister Sergey Dubinin about the expediency of introducing a new tax, the proceeds from which would be used to combat crime.

Ilyukhin said the leadership of the Finance Ministry and other key ministries took counsel with him about the advisability of introducing such a tax. He said that he categorically opposed the idea, expressing the conviction that the state has other sources which could be tapped to replenish the treasury without such a measure. "We mentioned those sources when discussing a federal budget for this year," he recalled.

The country has not yet fully received money for oil sold in 1992-1993. "Those means could be referred precisely to an anti-crime fund," he said.

Besides, in the opinion of Ilyukhin, an additional currency revenue could be obtained from the sale of Russian weapons, a state budget revenue item which "is being unjustifiably shied."

Ilyukhin recalled that banks and commercial organisations are now subjected to the most frequent and tough attacks. "I am convinced that they could refer part of their money to the fund of support for fight against banditry and organised crime," he said.

"The State Duma Committee on Security opposes the idea of shifting the financial burden of anti-crime efforts onto the shoulders of ordinary people," Ilyukhin emphasised.

Fuel, Energy Price Increases in May Viewed

PM2906160394 Moscow ROSSIYSKIYE VESTI in Russian 29 Jun 94 p 4

[Report by Irina Goryacheva, chief of the Russian Federation Government Institute for the Economic Situation's prices analysis and forecasting administration: "Level with Inflation"]

[Text] In May the overall increase in the cost of energy resources was 8.9 percent. The increase in wholesale rates for electricity (19 percent) had considerable influence on this increase in prices. Average prices of producing enterprises for the output of the petroleum refining industry increased only 3 percent and prices for raw material energy resources 2 percent.

As a whole in the period since the start of the year average prices for the main energy resources have doubled, including a 111 percent increase in the price of raw material energy resources and electricity and a 60 percent increase in prices for petroleum products.

In May the cost of oil increased only 1.4 percent (in April the figure was 6.5 percent and since the start of the year 111 percent).

In May oil increased only 1.4 percent in price (in April the figure was 6.5 percent and since the start of the year 111 percent. The big differences in levels of prices for it between enterprises in different economic zones persisted. While the average price in Russia is 65,300 rubles [R] a tonne the Far East region oilfields sell it for R108,800 and in the East Siberian region the price is R45,100.

Over the past month coal increased in price 3.6 percent (in April the figure was 17.4 percent and since the start of the year it is 70 percent). The differences in coal prices for the economic regions was a factor of 2.8. While the average Russian level was R18,300 a tonne, they were highest at the mines of the Northern region (about R31,000) and lowest at the mines of the East Siberian region (R11,000).

Prices for gas in May through Russia as a whole remained unchanged (in April they increased 17.2 percent and in the period since the start of the year they increased 280 percent).

In May the output of the oil refining industry increased 3 percent in price. The greatest increase in prices over the month was for fuel oil (7 percent), lubricant oils and oil asphalt (6 percent). Prices for motor gasoline remained virtually unchanged.

The increase in retail prices for motor gasoline (4.9 percent) in the past month was noted against the background of the unchanged level of prices of producing enterprises for it. The average retail price for motor gasoline for the Russian Federation as a whole was R299 a liter, which is 90 percent higher than the prices of the producing enterprises (R156).

Wholesale prices for electricity in May increased 19 percent. This increase was noted mainly at the electrical power stations of the Central Chernozem region (65 percent), of the Northern region (40 percent), and the Northwest region (28 percent). The cost of 1,000 kilowatt-hours of electricity on average throughout the Russian Federation was R39,000. At the same time in May the considerable internal regional differentiation in wholesale prices for electricity was maintained.

Next Stage of Privatization Program Approved

LD3006102194 Moscow Radio Rossii Network in Russian 0900 GMT 30 Jun 94

[Text] INTERFAX reports that the Russian Government today approved the program for post-voucher privatization. Anatoliy Chubays, who presented the program, stressed that its aim is not to increase the number of property owners and shareholders. Its main aim, he said, is to raise the activities of privatized enterprises to a new level of technology and efficiency, and to attract investment into production. The distinctive feature of the program is the fact that enterprises will now be allowed to acquire land on which their production premises are located and to sell surplus land on the market.

Possible Reasons for Voucher Edict Viewed

MK2906110094 Moscow KOMMERSANT-DAILY in Russian 29 Jun 94 p 1

[Report by Sergey Viktorov, Viktor Melnikov: "President's New Edict. The Voucher's Death Postponed for a Month"]

[Text] What is assuredly the most important event of the month took place at the stock market yesterday. The Russian president extended the validity of Russia's only really universal security—the voucher. For one month, until 31 July, for the time being. True, he did it in a rather singular way, shaping his decision as a special edict protecting the rights of work collectives to the participation in subscription to shares on easy terms.

This event is a business sensation from the formal point of view alone. Throughout June, extension of the time of the privatization vouchers' validity topic number one on the Russian voucher market. Many built their forecasts on a possible mass media "information leak" to be engineered by major exchange speculators on a supposedly imminent extension. The logic was simple: If there is a leak, it would be done to boost demand for privatization checks so that big lots of vouchers could be sold at an acceptable price, and there would be no extension at all. Events as a result took this turn. While no information came through at the federal level about a possible extension of the vouchers' validity, the voucher rate behaved in a rather peculiar way. Whereas the peripheral markets were on the whole stagnating in June and a downward trend prevailed in a number of exchanges (in Yekaterinburg, for example), in Moscow a rather steady upward trend was recorded in the latter half of the month.

The more obvious explanation is that the most attractive enterprises constituting the crown jewels of the Russian economy were put on the block closer to the end of the "people's privatization." Suffice it to give as an example "Gazprom" and "Norilskiy Nikel.'" Thus there seems to have been no grounds for rumors about an extension of the validity of the checks. Still, the way the market in Moscow behaved can be explained by the fact that information about an imminent extension came through to a number of structures—market makers [figuranty fondovogo rynka].

Thus, the extension did take place after all. The main sense of the edict signed yesterday, "On Measures to Protect Citizens' Interests at the Stage of Transfer from the Check Privatization to Money Privatization," is a permission to turn over privatization checks collected by closed subscription in privatization of enterprises to the corresponding property funds until 31 July. In line with the document, one can pay for shares in checks, provided that information on the start of the closed subscription was published before 1 July.

Formally, such a decision gives the answer to literally a storm of "signals" from the regions that came down on federal privatization organs in recent weeks. They all added up to a need to extend the vouchers' validity. "The impression is that enterprise directors have only now awakened and finally realized that check privatization is virtually at an end," as a ranking official of the State Committee on the Administration of State Property commented on the situation to a KOMMERSANT-DAILY correspondent last week.

Nevertheless there is now a clearly established remarkable precedent—it has become clear that 1 July is not such an immutable deadline as the Russian authorities were trying to bill it. All this is evidence that the certitude of having all the vouchers put to good use demonstrated until recently by Anatoliy Chubays, chairman of the State Committee on the Administration of State Property, is not as indisputable. It is not ruled out that the authorities overestimated their ability to put to use the balance of vouchers (up to 20 million, according to various counts) in the June auction series. Also not indisputable, we dare to suppose, is the vice premier's confidence that the president is soon going to sign an edict on post-voucher privatization (Chubays has named 24 June as the signing date). It is not ruled out that it is opposition to the program of the new privatization stage from regional authorities—who are losing their grip on enterprises being privatized through investment tenders—that called forth the edict giving second wind to the privatization check.

Livshits Views Restrictions on Foreign Banks

PM2906151194 Moscow ROSSIYSKIYE VESTI in Russian 29 Jun 94 p 4

[Article by Aleksandr Livshits, leader of the Russian Federation president's group of experts: "There Will Be No Influx of Foreign Banks into Russia"]

[Text] The Russian Federation president's edict "on improving the work of the Russian Federation banking system" or to be more precise its clauses concerning the activity of foreign banks in the country have caused alarm among Russian bankers fearing competition from stronger and more experienced Western partners. These fears are greatly exaggerated. It is by no means a case of closing access to Russia for any foreign bank. Let me recall that in November last year an edict was signed suspending through 1 January 1996 the activity of foreign and joint banks which as of 15 November had licenses from the Central Bank for operations with residents in Russia. The aim of this edict was to give time for Russian banks to strengthen and prepare for competition.

The new edict is not about new foreign banks but about those which came under the November edict. In addition, the banks of those countries with whose governments agreements have been concluded on the protection of investments are singled. There will be no more than five of these banks.

Moreover, the Central Bank, in resolving the question of issuing new licenses to foreign banks, will also consider how the applicant countries treat Russian banks. All these restrictions are substantial enough and I do not think that we can expect an influx of foreign banks into Russia in the immediate future.

Nonetheless our bankers' fears are understandable. They will have to make haste in adjusting to the activity of their foreign partners. At the same time the formulations of the edict are elastic enough to reconcile the interests of Russian and foreign bankers.

1993 Economic Performance Summarized

PM2906125194 Moscow ROSSIYSKAYA GAZETA in Russian 28 Jun 94 First Edition p 3

[Report by Yuriy Pakhomov: "Russia, Last Year"]

[Text] The short statistical yearbook "The Russian Federation in Figures in 1993" ["Rossiyskaya Federatsiya v Tsifrakh v 1993 Godu"] (published by the Russian Federation State Committee for Statistics' "Rosinformtsentr" Publishing House) has appeared in print. This compact little book presents all the main socioeconomic indicators for the country last year, and covers the progress of reform and the shaping of new ownership relations.

The figures show that all spheres of the economy have been covered by market transformations. As of 1 January 1994 more than one-third of all large and medium enterprises, producing around 40 percent of industrial output, were in private hands or in mixed forms of ownership. A single agricultural Russian market has started to be created. People are increasingly actively acquiring real estate—above all, apartments.

At the same time, the situation in the country has been complicated by the production slump—prices have increased by 800-900 percent in the space of a year, the nonpayments crisis has become more acute, and the population's living standards have fallen.

The yearbook costs 10,000 rubles. It is not available in the book retail network, it can only be acquired from Russian Federation State Committee for Statistics' "Rosinformtsentr" stores at the following addresses: Office 4, 1st Floor, 39 Myasnitskaya and 2/6 Malyy Cherkasskiy Lane. Telephone: 207-49-71, 921-47-68, 921-37-56.

Eighty Coal Mines To Be Closed

LD3006103694 Moscow Radio Rossii Network in Russian 0900 GMT 30 Jun 94

[Text] The government program for closing loss-making mines envisions an end to coal extraction at a quarter of all pits. Yuriy Malyshev, managing director of the Rosugol company, says that 80 Russian mines will be closed as a result. Six of them have already been shut down. The industry's planned losses have been reduced by 200 billion rubles in the process. This has made it possible to raise labor productivity in the coal industry, despite the reduction in coal production. In an interview with RIA Yuriy Malyshev stressed that the present restructuring of the sector will help it to pay its way in market conditions.

Military & Nuclear Issues

Yeltsin Pledges Support to Defense Industry

LD2906144694 Moscow ITAR-TASS in English 1433 GMT 29 Jun 94

[By ITAR-TASS correspondent Lyudmila Aleksandrova]

[Text] Moscow June 29 TASS—Russian President Boris Yeltsin pledged support to the Russian defence industry on Wednesday as he visited the research and development association Soyuz in the town of Lyubertsy outside Moscow.

The president said the state cannot allow the huge intellectual and scientific potential concentrated in the defence industry to be wasted away and will provide it with overall support.

"The defence industry lives and works in a difficult situation," Yeltsin said. There are many problems, but the president believes that all of them can be solved.

Yeltsin said he will soon sign a decree establishing state awards for young researchers.

The president gave a high assessment to the performance of the Soyuz association which is going through conversion (18 months ago the association made 70 per cent of military and 30 per cent of civilian production. Now it's the other way round).

Yeltsin said that in the future the association will be reorganised into a federal centre of dual-purpose technologies.

Government Owes Defense Industry R441 Billion

LD2906182094 Moscow INTERFAX in English 1548 GMT 29 Jun 94

[Text] The government owes 441 billion rubles [R] to munitions plants for the military hardware made under 1993 federal orders. This year orders shrank by almost 80 pct.

These are the main reasons for the financial crisis in the Russian defense industry. This statement was made by a spokesman for a government technical commission Vasiliy Yegorov at an international seminar on Western investments in the Russian defense industry which ended in Moscow on Tuesday.

He said spending on conversion has been reduced radically. In the first quarter of 1994 250 billion rubles were earmarked for the purpose which amounts to merely 5.3 pct of the sum necessary for the year.

According to Yegorov, the critical situation can be improved if the government guarantees a sufficient level of spending on conversion, low-interest credits are given to conversion programs, the development of double-purpose technologies is stimulated and federal contracts are guaranteed at a time of an economic decline and cuts in military orders.

Kokoshin on Use of Dual-Purpose Technology in Defense

LD2906202194 Moscow INTERFAX in English 1758 GMT 29 Jun 94

[Text] First Deputy Defense Minister Andrey Kokoshin said today that the development of dual purpose technology is one of the guidelines of the military conversion in Russia.

Commenting on Boris Yeltsin's visit to the Soyuz research and production association, Kokoshin told Interfax that this approach was applicable not only in the case of chemical enterprises such as Soyuz, but also on other industries manufacturing avionics, aircraft, radio and electronic equipment, satellite-based surface scanning devices, heavy duty military communication systems or missiles.

Kokoshin said that the Defense Ministry, State Committee for Defense Industries and Economics Ministry were carrying out detailed research in the field of dual purpose technology and its practical application.

Kokoshin said the such technology opened the way to preserve the mobilization potential of industry and was essential to the development of the national industrial policy.

Ship To Attempt To Seal Torpedo Tubes on Downed Sub

LD2906210894 Moscow INTERFAX in English 1548 GMT 29 Jun 94

[Text] At about 4:00 on June 30 Akademik Mstislav Keldysh, a research ship, is expected to arrive at the spot in the Norwegian Sea where the Komsomolets nuclear submarine sank.

Officials at the Russian Emergencies Ministry told Interfax that the equipment on board the ship would be tested Thursday before the expedition started work on the submarine.

The Komsomolets sank in April 1989 with two torpedoes carrying nuclear warheads. Because the torpedos' tubes were damaged and the torpedos were affected by corrosion, plutonium is likely to leak into the environment.

The Emergency Ministry will try to seal the torpedo tubes so as to minimize the nuclear contamination.

Akademik Mstislav Keldysh carries two manned Mir bathyscaphs. New equipment will be installed at the spot where the submarine sank in order to monitor the migration of radionuclides.

Federal Assembly

Poltoranin: Extension of Terms 'Arrogant Proposal'

LD2906165394 Moscow ITAR-TASS in English 1357 GMT 29 Jun 94

[By ITAR-TASS correspondent Tamara Ivanova]

[Text] Moscow June 29 TASS—Chairman of the Duma Parliamentary Committee for Information Policies, Mikhail Poltoranin, described the idea of extending the Federation Council's term in office as "an arrogant proposal."

In an interview with ITAR-TASS Poltoranin said that the prolongation of the powers of power structures can be discussed on condition that certain guarantees are fulfilled and important problems faced by the Russian people are resolved.

Poltoranin reminded of the fact that before the agreement on civic accord was signed, he had addressed lawmakers of the State Duma, suggesting that this agreement be supplemented by commitments made by each branch of power for a concrete period of time. In his opinion, this agreement should include a concrete plan of actions of power structures for the second half of 1994, the entire 1995 and the first half of 1996. Trade unions might have pledged to refrain from strikes during this period, Poltoranin said.

The public chamber might assume control over the fulfillment of commitments, including the dismissal of the branch of power which fails to fulfill its commitments. On the other hand, if the economic and social situation stabilises by the middle of 1996, he problem of crime in Russia is resolved and the necessary legislative basis created, the public chamber might initiate the prolongation of the powers of the president, the government and the parliament, since "enough is as good as a feast," as the saying goes, Poltoranin said.

Poltoranin believes that a congress of social forces might be convened which would appeal to Russians to hold a referendum which would be a legitimate basis for the prolongation of powers. Having noted that this idea was never realised, Poltoranin added that "being in high posts without making commitments and being detached from Russia's public and social life is, at least, strange."

Duma Releases Report on Lawmaking Record

MK2906125094 Moscow MOSKOVSKIYE NOVOSTI in Russian No. 26 26 Jun-3 Jul 94 (Signed to press 28 Jun) p A6

[Yelena Pestrukhina report under the "Parliament" rubric: "Is a Law a Secondary Matter?"]

[Text] On the eve of its six-month anniversary, the State Duma has drawn up a report on work it has done.

By the end of last week, the chamber had considered 136 bills.

It is State Duma committees that bear the brunt of legislative sponsorship—they have drawn up 63 bills. Individual deputies have sponsored 33 bills; the government, 28; the president, 11; and the Constitutional Court, 1. This regards what has been done "in gross," whereas the output of more or less finished products is fairly modest. In all, 15 laws have been passed (of them, seven have already been signed by the president, and the others are with the Federation Council). Around 20 bills have been approved in the first reading and one has passed the second reading.

An overwhelming majority of the approved laws concern the socioeconomic area. On one hand, this is a package ensuring the functioning of the economy: the budget plan, the laws on changes in payments to state extrabudget funds, on state foreign borrowings and credits. On the other, a package on social safety nets: on raising the minimum wage and on pensions. Typically, the government has lobbied for both the economic and social-populist bills.

The deputies have passed at their own initiative the laws on their status and on the procedure for the coming into force of laws enacted by the Federal Assembly. This list also includes the related law on the Constitutional Court, which the deputies see as a guarantee of the preservation of parliamentarianism.

Far from all committees have shown equal lawmaking zeal. According to an established tradition, the main burden has been shouldered by the legislation committee under Vladimir Isakov from the Agrarian Party of Russia [APR]. Its record includes three laws already passed, four laws approved in the first reading, and 12 decrees. The budget committee under Mikhail Zadornov from "Yabloko" is second. Third place is shared by the security committee under Viktor Ilyukhin from the Communist Party and the committee on labor and social protection under Sergey Kalashnikov from the Liberal Democratic Party of Russia [LDPR]. The relatively small defense committee under Sergey Yushenkov from "Russia's Choice" has two bills that have passed the first reading and two decrees to its credit. One law and 14 decrees have been "churned out" by the committee on the organization of the State Duma's work under Vladimir Bauer from "Russia's Choice."

The performance of these six committees can be considered effective, or at least noticeable. As for the rest, they clearly do not bother themselves too much with lawmaking. Seven State Duma committees each have submitted for consideration only one bill in six months. They include the committee on agricultural matters (Aleksandr Nazarchuk, APR); on industry, energy, and transport (Vladimir Gusev, LDPR); on international affairs (Vladimir Lukin, "Yabloko"); on natural resources and nature use (Nikolay Astafyev, LDPR); on the affairs of women, family, and youth (Galina Klimantova, "Women of Russia"); on information policy and communications (Mikhail Poltoranin, "Russia's Choice"), and on geopolitics (Viktor Ustinov, LDPR).

But even this is not the limit of the deputies' "zeal." Four State Duma committees have failed to propose a single bill or a draft decree, whereas the others limited their creative work to drafting one decree or two.

Two "national" and all three "international" committees (on international affairs, the CIS, and geopolitics) have failed to find their legislative niche. Nor has the existence of three economic committees so far been justified by "prolific" lawmaking—two of them (on economy and on privatization) have kept an extremely low profile. It seems that the overspecialization of parliamentary committees (that also have subcommittees inside) has only brought about an increase in offices and titles for the deputies.

If we assess lawmaking from the point of view of party affiliation, the first striking feature is sluggish work by the Party for Russian Unity and Accord. Which is strange, because the faction has brought together many deputies from among civil servants who are objectively interested in making laws that would "fit their size." The contribution of "Russia's Choice" also falls short of the faction's numerical strength or its potential intellectual capabilities. The agrarian lobby is acting aggressively and competently, but only within the range of their professional problems. The communists' work in the parliament boils down primarily to good attendance of meetings, hearings, and other "events." The LDPR faction proceeds from the assumption that laws being passed by the current State Duma will not be adhered to all the same, so it exploits its presence in the State Duma only for political horse-trading.

By the time of its recess (in July), the lower chamber plans to consider around 30 bills "of primary state importance." They include the draft laws "On the Ombudsman," "On the Counting Chamber," "On Workers Collectives," "On the State Privatization Program," and "On Civil Service." The preparation of the Labor Code will be delayed for an indefinite period along with the law on the guidelines of economic reform.

Regional Affairs

Duma Chairman Rybkin Wraps Up Visit to Far East

Visits Submarine Base in Maritime Kray

LD2906133994 Moscow Ostankino Television First Channel Network in Russian 1100 GMT 29 Jun 94

[From the "Novosti" newscast]

[Text] A State Duma delegation is continuing its tour of Maritime Kray. [State Duma Chairman] Ivan Rybkin has met the officers and men of a nuclear submarine base.

[Unidentified correspondent] This is the Pacific Fleet's submarine base at Pavlovskiy Bay. The naval seamen welcomed the chairman of Russia's State Duma here today. Ivan Petrovich Rybkin met with the crew of a strategic forces submarine.

[Begin Rybkin recording] I have a simple and clear impression. The country's defenses must be based on reasonable sufficiency; they must be effective. This class of formation in the armed forces must have the utmost support of the people. It must be cherished by the Duma, the president, and the government. [end recording]

[Correspondent] Naturally, the sailors told the State Duma chairman about their problems, including the unresolved problem of how to dispose of liquid radioactive waste from decommissioned atomic submarines which have been abandoned to their fate. Furthermore, the remuneration of the people in charge of the most formidable weapons is manifestly inadequate by today's standards.

Discusses Capital Flight, Possible Tax Cut

LD2906164494 Moscow INTERFAX in English 1221 GMT 29 Jun 94

[Text] From $1.5 to $2 billion a month is being exported from Russia, Speaker of the State Duma Ivan Rybkin told regional administrators of Primorskiy Territory on Wednesday. He said some companies were found to be holding up to 300 accounts with different domestic commercial banks.

As he pointed to this month's inflation rate as a sign of economic stabilization, Rybkin did not rule out a 15-20 percent cut in taxes between August and December.

Rybkin gave a brief account of his meetings on Wednesday with officials of the Pacific Fleet Command and employees of the Far Eastern Zvezda plant specializing in repair, updating and utilization of nuclear-powered submarines.

Governor of the Territory Yevgeniy Nazdratenko spoke of handing Rybkin a classified list of nuclear waste disposal sites in the region.

Rybkin was asked to help settle the question of lowering electricity rates from Rbl 40 to Rbl 22 per kw as well as railway fares.

He was also requested to get the Defense Ministry to clear its debt to the region. The ministry has run a debt of Rbl 40 billion to defense-related companies plus more than Rbl 60 billion to the navy and army since early this year, Vice Governor Sergey Dyomin told Interfax.

Supports Special Economic Status for Far East

LD2906141994 Moscow ITAR-TASS in English 1256 GMT 29 Jun 94

[By ITAR-TASS correspondent Yevgenia Lents]

[Text] Vladivostok June 29 TASS—During their tour of the Kamchatka Peninsula, the Sakhalin region and the Maritime territory, members of a State Duma delegation confirmed that Russia's Far East needed a special economic status, according to Ivan Rybkin. The speaker of parliament's lower house addressed on Wednesday a news conference, summing up results of the lawmakers' trip.

When asked by TASS about the possibility of granting such a status, Rybkin said the Duma intended to back the region's legislative initiatives on the issue.

"The defence of our eastern borders is to be reasonable and sufficient. Proceeding from this principle, we should help the Far East in every possible way with material and technical resources so that local residents could not feel deprived", the Duma chairman believes.

Speaking of his visit to the South Kuril islands, Rybkin expressed support of their residents' aspiration to retain these economically beneficial territories.

Meets With Novosibirsk Unions

MK2906102094 Moscow SEGODNYA in Russian 29 Jun 94 p 2

[Report by Andrey Nikolayev under the "Demands" rubric: "Novosibirsk Leaders Do Not Believe Rybkin's Promises"]

[Text] State Duma Chairman Ivan Rybkin has met in Moscow with representatives of Novosibirsk Oblast trade unions who asked the speaker to discuss the socioeconomic situation in the region. Your SEGODNYA correspondent has learned that they informed Ivan Rybkin that the production slump in the oblast has "reached critical mass," beyond which "a disintegration of technological links sets in," and urged the speaker for taking "effective measures."

For his part Ivan Rybkin promised to help resolve the most acute problems in order to stabilize the economic situation in the region. However, "What this help is going to be and when could it be forthcoming was hard to understand from what Mr. Rybkin said," stated Viktor Babakov, head of the oblast's Trade Union Federation. He thinks that "promises cannot improve things" today, all the more so because they were given to Novosibirsk people at various levels in the past and have not been acted upon up to now. In the meantime enterprises are grinding to a halt in the oblast one after another, forcing nearly 30 percent of the personnel to go on administrative vacations.

Mr. Babakov stated in this connection that the oblast's trade unions demand that the Russian Government immediately send an authoritative commission to resolve the socioeconomic problems on the spot. The Novosibirsk trade unions intend to insist on modifying the tax policy and adopting a state employment program.

Interviewed on Return

LD3006103794 Moscow ITAR-TASS World Service in Russian 0420 GMT 30 Jun 94

[By ITAR-TASS correspondent Pavel Kuznetsov]

[Text] Moscow, 30 Jun—Interaction between the State Duma and the legislative assemblies of the Far Eastern and Siberian regions will reach a new and more specific level of law-making activities now that a delegation of the lower chamber of the Federal Assembly led by State Duma Chairman Ivan Rybkin has concluded its five-day working trip there. Rybkin said this to an ITAR-TASS

correspondent at Vnukovo-2 airport today on the parliamentarians' return to Moscow.

Ivan Rybkin noted that a plan will be drawn up on the results of the trip to enable the deputies who were members of the chamber's delegation to start work on new laws needed by the regions visited.

He stressed that some regions of Siberia and the Far East have drawn up draft laws dealing with problems most topical for them and have sent them to the Duma as a legislative initiative. In particular, Ivan Rybkin reported, in the very near future a draft law on the status of Maritime Kray may be submitted to the Duma.

Ivan Rybkin also noted that the State Duma—jointly with the Russian president and government and the regions of Siberia and the Far East—will tackle the issue of railway and electric power tariffs. He stressed that now this is one of the most serious factors affecting the economic emergence of Russian territories. The Duma speaker said: "It is absolutely obvious that these issues need to be settled by the state."

Tatarstan President Interviewed on Ties With Russia

LD2906200394 Moscow INTERFAX in English 1756 GMT 29 Jun 94

[From "Exclusive" report No. 26 of 29 June]

[Text] **SHAYMIYEV: TATARSTAN SHOULD REVITALIZE ECONOMY TOGETHER WITH RUSSIA**

Top leaders of Tatarstan often appear on Interfax-Exclusive. The interest in the politicians is quite understandable: political analysts believe that the relationship between Moscow and Kazan, which for over two years demanded a special status in the federation, as well as their treaty on the separation of powers signed at the beginning of the year can serve as a model for the revival of the Russian Federation. This time Interfax interviews the president of the republic Mintimer Shaymiyev.

INTERFAX: Five months have passed since the signing of the treaty between Russia and Tatarstan. Do you think it has influenced processes in Russia as a whole and the attitude of the federal government to territories?

SHAYMIYEV: Yes, undoubtedly. The treaty with Tatarstan reduced to naught the prospect of Russia developing as a unitarian state. This is an important political asset, first of all for Moscow itself. Now everyone believes that the federation can be asymmetrical. This is not just somebody's whim, but a reality. The federal government has started signing treaties with republics. Moreover these are not standard agreements, they take into account the specific features and possibilities of each republic. These differences prompt the level of dividing powers and the nature of relations between the federal government and territories.

But we still will have to evaluate the true meaning of the treaty. When Russia starts working to harmonize the constitutions of the republics with the federal constitution and the matter is raised in relations with Tatarstan, then we are going to see the strength of the treaty. It was signed on the basis of the recognition of two constitutions, which means that Kazan has the right to demand the adjustment of certain articles of the federal constitution to its own. That is why I think that when future agreements are going to be signed with republics special attention is going to be paid to harmonizing constitutions on the basis of mutual compromise.

INTERFAX: Do you think there has been any decentralization of power in the Russian Federation or the voice of local leaders remains inaudible and insignificant?

SHAYMIYEV: There has been a change of the situation in this respect too. Local leaders are now being heeded. Probably the explanation to this is that in the absence of a clear concept of economic reforms, territorial or ethnic policies local leaders had to assume responsibility for the construction of a law-governed state. Today they are no less experienced in this than the federal authorities and offer their own versions of economic programs which are no worse.

INTERFAX: Before signing the treaty with Moscow Tatarstan tried to notably amend, if not openly dissociate itself with Russian economic reforms. Now, on the contrary, the leaders of the republics more and more often speak of the need for close interaction with Russia. Programs that used to be local, such as the construction of an oil refinery or a bridge across the Kama or the reconstruction of an airport, are becoming joint programs. Why?

SHAYMIYEV: The main reason is the high degree of integration of the Tatar economy in the federal one which we have never denied. When two years ago Tatar leaders chose their own strategy of reforms, they stressed that the republic is not leaving the common economic space, therefore sooner or later it Tatarstan going to face the same difficulties as the rest of the federation. We managed to prevent a total economic collapse but it was impossible to avoid general economic difficulties. The main thing is that we prevented the pauperization of the population.

The stage of "softly" entering the market is over and today Tatarstan faces the need for radical changes which does not mean the renunciation of social programs. And now the federal leadership is determined to take more resolute steps in reforming the economy and our views largely coincide.

The latest package of economic decrees of President Boris Yeltsin is aimed primarily at livening up production which is also our strategic task. A series of Tatar decrees is in the making and their idea largely coincides with the federal one.

However, Kazan can afford even more radical steps: to support government-owned as well as private companies, impose softer taxes and revise the credit policy. Expensive federal credits can be a temporary remedy, but they will inevitably make the republic a debtor.

There is a true crisis of mutual debts in the Russian Federation and Tatarstan now. Therefore we stake on the broad use of promissory notes. They have proved useful guaranteeing the turnover of means in the republic and holding back the decline in production. But much as we would want we cannot change the situation single-handed.

Tatarstan should revitalize the economy together with Russia. And such prospects are appearing today: the federal government intends to support our local programs by offering guarantees to foreign investors and financing joint projects. This does not undermine the interests of Tatarstan in any way. For instance, the controlling interest in an oil refinery is going to belong to Kazan while guarantees of the federal government will help attract foreign investments and accelerate the reconstruction of the facility.

The construction of YeLAZ (an auto plant in Yelabuga, Tatarstan) implied the involvement of the federal government from the very start. We can restore KAMAZ auto works after the fire only through joint efforts. Russia is getting foreign credits and Tatarstan has the right to count on a definite share of them.

INTERFAX: Analysts believe that when Yeltsin launched reforms, Russia started becoming less and less controllable. Don't you think your radical steps can have the same result?

SHAYMIYEV: No. At the first stage Kazan intends to continue government regulation of the market. In corporatized companies the controlling interest will remain in the hands of the government which is going to be able to influence their operation.

While supporting small and medium-sized businesses the government will control the situation, regulate tax rates and help effective plants with credits, but not keep inefficient ones afloat. In the future government control should be reduced to credit and tax policies. We are gradually moving in that direction.

On the other hand, the government does not think of curtailing social programs even though it faces the difficult task of combining the incompatible: easing the tax burden and security budget spending.

INTERFAX: Are you sure your initiatives are going to be regarded adequately and decrees carried out instead of being blocked?

SHAYMIYEV: So far we have not had unimplemented decrees.

Tatarstan Communists Adopt Plan To Restore USSR

MK2906124094 Moscow SEGODNYA in Russian 29 Jun 94 p 2

[Unattributed report in the "Provincial Chronicle" column]

[Text] Kazan—A program envisioning the restoration of the USSR on "a renewed organizational-legal basis" and the republic's accession to the Union has been adopted at the first congress of the Tatarstan Communist Party. The program notes that the Tataria leadership has managed to "cushion the blows by Russian authorities on the working people by supporting the agro-industrial complex, regulating prices, crime control, and targeted social protection programs."

Tatar Leader Complains of Media's 'Soviet' Usage

PM2906135394 Moscow ROSSIYSKAYA GAZETA in Russian 28 Jun 94 First Edition p 6

[Report by Dmitriy Mikhaylin: "What Are You To Be Called Now?"]

[Text] Kazan—Farid Mukhametshin, chairman of the Supreme Council of the Republic of Tatarstan, has sent Boris Mironov, chairman of the Russian Committee for the Press, a letter protesting at "the Russian mass media's arbitrary use of the name of the Republic of Tatarstan." The letter stated that, in accordance with the constitutions of Russia and Tatarstan, the republic should be called precisely Tatarstan, and not Tataria. In the republic Supreme Council chairman's opinion, Tataria is associated with the traditions of the past decades of Soviet Tataria, when official ideology and toponymy took no account of the national peculiarities of the peoples living on Russia's territory.

Boris Mironov's letter in reply to this states: This question has no bearing on the problems of sovereignization or respect for national dignity. In this instance it is a question only of the conformity with linguistic laws of old names which are an organic part of the Russian language and to which the population is accustomed.

The reply goes on to state that official materials published in the press must use the names adopted at state level by each republic or state taken separately—which also applies in full to the Republic of Tatarstan. The Russian Committee for the Press intends, for its part, to promote precisely this approach in press practice.

'Huge Military District' Planned in North Caucasus

LD2906132694 Moscow INTERFAX in English 1221 GMT 29 Jun 94

[Text] Russia plans to set up a huge military district in the Northern Caucasus complete with mobile and other forces and powerful weaponry.

Defense Minister Pavel Grachev in an interview with Interfax in Rostov-on-Don on Wednesday said that everything had been done in the past two years to turn the North Caucasian Military District into an army grouping "capable of conducting combat operations" to defuse small or big conflicts.

Grachev said the district would also have to solve domestic tasks in line with Russia's defense doctrine which provides for the armed forces and Interior Ministry troops to conduct joint security operations.

In this connection, he said that if regional security forces were unable to cope with their duties, Russian troops would take part in cracking down on "terrorist groups" which had mushroomed in the region.

The minister is at the start of a regional tour to inspect troops deployed in the Northern Caucasus. He plans to visit army units and meet leaders of the region where Russian troops are deployed.

On Thursday Grachev is scheduled to visit Anapa, Novorossiysk and Makhachkala. Nor does he rule out visiting Abkhazia "if any changes occur in the area of the conflict" between Georgia and Abkhazia.

More on Yeltsin Tour of Moscow Region Facilities

PM2906161794 Moscow ROSSIYSKAYA GAZETA in Russian 30 Jun 94 First Edition pp 1-2

[Report by Aleksandr Batygin: "I Want to Talk to People. The President Spent Yesterday at Work in the Moscow Region"]

[Text] B. Yeltsin's schedule began in the morning with a visit to Lyuberetskiy Rayon.

"It isn't working out right," he joked during a conversation with the journalists accompanying him. "I have been to Tula, to Amur Oblast, I have been to the south and the north as well, but I rarely get to visit the Moscow region..."

As Boris Nikolayevich explained, he has several aims during his tour of Moscow Oblast. The first is to visit the Soyuz Science-and-Production Association in Lyuberetskiy Rayon, which is one of the flagships of the country's defense industry. In the afternoon the president was due to have meetings with rural workers in Ramenskiy Rayon.

"I want to talk to people and find out what their thoughts and concerns are," B. Yeltsin said.

In the morning the president's helicopter touched down at the city of Dzerzhinskiy. The science-and-production association there, which was created in 1947 to develop compound solid fuels for strategic missiles, operational-tactical missiles, and anti-air missiles, ballistite propellant for the artillery, and so forth (it would take a full page to carry on listing the association's "merits"), has a mighty scientific and technical potential. Under the conversion program the association is presently developing and producing synthetic diamonds and tools based on them, industrial explosives, aerosol fire extinguishers, medicinal preparations, and much other "peacetime output."

Civilian output now represents 70 percent of the association's total volume. Unfortunately, even a "firm" as powerful as this cannot boast of stability because in the tough conditions of the reforms its process of becoming established is fraught with considerable difficulties. The scientific nucleus at Soyuz consists of dozens of doctors and candidates of sciences but its "think tank" also requires renewal and support today. For example, half a billion rubles are needed for the training of scientific staff while the upkeep of the test and experiment base will cost the budget 5.4 billion.

It emerged that Boris Nikolayevich's interest extends not just to the specific concerns worrying the Soyuz collective. The leaders of defense enterprises in the Moscow Oblast also came here, to Dzerzhinskiy, yesterday.

"I hope that from their example I will gain a better feel for the defense sector's problems and understand what has to be done," the President stressed.

Boris Nikolayevich was asked the following question: In his opinion, how is the process of stabilization in the country progressing?

"All the signs are there that the economy is recovering," was his answer. "The first is that for five months now the inflation rate has been running at 8-9 percent, and yet it had been as high as 26 percent! Secondly, in June the rise in prices did not exceed 5.5 percent whereas in the past two years that indicator was never less than 10 percent. Finally, the slump in industrial production stopped in June. All these preconditions inspire the hope that the economy is getting back to an even keel. We believe that by the end of the year we will reach a civilized level of inflation—5-6 percent.

"The political situation in society is stabilizing," the president added. "The Treaty on [Social] Accord is working and life has become more peaceful. Support the Edict on the fight against crime!"

After a conference with the defense workers (held behind closed doors) B. Yeltsin paid a lightning visit to the Nikolo-Ugreshskiy monastery, which is next door to the Soyuz Science-and-Production Association.

Moscow City Official on Protection of Property Rights

LD2906163894 Moscow ITAR-TASS in English 1214 GMT 29 Jun 94

[By ITAR-TASS correspondent Galina Sugak]

[Text] Moscow June 29 TASS— The Moscow government's decision "on the protection of the property rights

of Moscow residents in view of the expiry of the validity of privatisation cheques" is in no way interpreted as an extension of the validity of the Russian voucher (cheque) on the territory of Moscow, Konstantin Buravlev, first vice-premier of Moscow, told the press centre of the mayor's office in comment on the decision.

Buravlev said the measure is aimed only at upholding the property rights of Muscovites who failed to put to use their privatisation cheques before July 1 for reasons that did not depend on them.

On July 10 the privatisation cheques issued in Moscow and not put to use during the cheque privatisation campaign are to be accepted by the Moscow savings bank branches for responsible custody. In exchange, the privatisation cheque holders will be given special certificates (registered receipts—form 31).

Privatisation cheques, issued by the Moscow savings bank, are to be exchanged for F-31 receipts on presentation of a passport which should have a notation about residential registration in the capital at the date of issue of the privatisation cheque (one per bearer).

Underage children's privatisation cheques are to be accepted on presentation of the passport of one of the parents. The passport should have the name of the child entered in it. The exchange of unclaimed privatisation cheques for F-31 certificates will continue until January 1, 1995.

Within a month, the Moscow authorities are to finalise and endorse a programme tentatively named Cheque-Moscow. After that, the Moscow government will offer the Muscovites the shares of Moscow-based enterprises and foundations and, probably, other securities backed up by Moscow property.

The Cheque-Moscow programme will be based on current laws with due regard for the overall economic situation in the country. Every holder of F-31 certificate will have several options to exercise his or her property rights.

The programme will be implemented so as not to infringe the property interests of Muscovites, who have already put their privatisation cheques to use, or the interests of investors in Moscow property.

Kaliningrad Orders Construction of New Port

PM2906140194 Moscow KRASNAYA ZVEZDA in Russian 28 Jun 94 p 2

[Report by correspondent Valeriy Gromak: "Baltiysk Will Become an International Port"]

[Text] Baltiysk—Kaliningrad Oblast Administration chief Yuriy Matochkin has signed a Decree "On the Implementation of Preparatory Work for the Design and Construction of a Port Complex in Baltiysk." It instructs the Baltic Fleet command, the Baltiysk administration, and the Kaliningrad port maritime administration to set up a commission to define the boundaries of the area for the construction of the port complex and to transfer the defined area, together with hydraulic engineering installations, to the use of the maritime administration. The decree also instructs that proposals and a package of documents on opening the commercial port of Baltiysk to foreign ships be prepared and submitted to the Ministry of Transport.

Kaliningrad, Lithuanian Officials Discuss Border

WS2906120394 Kaliningrad YANTARNIY KRAY in Russian 29 Jun 94 p 2

[Report on interview with Major General Aleksey Kozhevnikov, deputy commander in chief of the Russian Border Troops, by V. Kostomarov; place and date not given: "Border Across the Vyshtynetskoye Lake or Russia Is Ready To Compromise"]

[Text] As YANTARNIY KRAY has already reported, a working meeting of delegations of the Russian Border Troops and the Lithuanian Border Guard has been held.

"The negotiations were constructive, we resolved all issues included on the agenda." This is how the head of the Russian delegation, Major General Aleksey Kozhevnikov, deputy commander in chief of the Russian Border Troops and chairman of the Department for Holding International Negotiations within the Russian Border Troops, assessed the recent developments.

The priority directions in the continued cooperation have been detailed. This, in particular, includes exchanges of information, investigations in the interests of guarding the state border, the implementation of measures preventing the illegal transfer of weapons, drugs, and other goods banned for transborder shipments, and other illegal activities across the border and through border checkpoints, as well as the exchange of expertise in protecting borders and maintaining border control.

It was agreed that to draft an intergovernmental agreement on cooperation in border issues, the Lithuanian side will file a report on these negotiations with the Lithuanian Government. If this position is approved, appropriate working groups will be formed. They will probably meet in July-August of this year.

Anyone who attentively observes developments in relations between Moscow and Vilnius shares, of course, the viewpoint that one of the most complicated issues at the negotiations is the military traffic between Russia and Kaliningrad Oblast, which must cross Lithuanian territory. The protocol states that during the meeting the parties exchanged opinions on transiting goods across the territory of Lithuania to provide for the maintenance of the Kaliningrad Group of the Russian Border Troops. Major General Aleksey Kozhevnikov does not rule out that they will finally resolve this issue by singling it out from the entire block of military traffic issues.

One more thing. Participants in the meeting agreed that it is necessary to install a direct telephone (telex) line between the Kaliningrad Group of the Russian Border Troops and the Lithuanian Border Guard, between units and some checkpoints, as well as between certain border outposts and checkpoints.

I asked Major General Aleksey Kozhevnikov after the completion of the talks to answer some of my questions.

[Kostomarov] Aleksey Vladimirovich, you mentioned that you recently signed some border agreements with Poland. Will the agreements with Lithuania be of a similar nature?

[Kozhevnikov] They will differ due to some peculiarities in the conditions of the territory. Our border with Poland was established a long time ago, it is comprehensively equipped because for dozens of years it was guarded in cooperation with the Polish side. Our border with Lithuania is new, unequipped, and, in addition, has not yet been delineated. These days, according to the press, a special commission is dealing with the delineation issue.

[Kostomarov] Is it also addressing demarcation issues?

[Kozhevnikov] No, demarcation issues are still awaiting their resolution. A regular, seventh round of talks on delineation was held in Vilnius on 27-28 May. The parties agreed on the provisions of the planned agreement on state borders. There are, however, two moments which demand a rapprochement of positions.

[Kostomarov] What are they?

[Kozhevnikov] The first is the delineation of the economic zone and the maritime area. We should discuss the initial point from which we would proceed based on available international agreements.

The second is connected with Vyshtynetskoye Lake. Before, there was an administrative border—currently, it is declared the state border—which ran along the Lithuanian shore. We are ready to alter this configuration. In other words, the Russian side can compromise in the interests of our friendly relations with Lithuania. At the same time, we asked the Lithuanian side to allow our ships to travel along the Neman—Lithuanian territory—to the Baltic Sea. At the end of the talks, however, the position of Lithuania changed somewhat. I believe that the commissions of the two states will establish a point of contact.

Economic Program for Kaliningrad Oblast Viewed

WS2906131694 Kaliningrad YANTARNIY KRAY in Russian 17 Jun 94 p 2

[Text of the resolution by the Russian Government "On Urgent Measures To Stabilize Economic Situation of Kaliningrad Oblast"]

[Text] To implement edict No. 2117 "On Kaliningrad Oblast" of 7 December 1993 by the president of the Russian Federation, and considering a special geographic and economic situation of Kaliningrad Oblast, the Russian Government resolves as follows:

1. Beginning in 1994, based on proposals by the Kalinigrad Oblast administration, the Russian Finance Ministry should extend investment and tax credits to enterprises located in the oblast for implementing programs of socioeconomic development of Kaliningrad Oblast.

2. The Russian Ministries of Economy, Fuel and Power Engineering, and Foreign Trade should project the volume of oil to be extracted in Kaliningrad Oblast in 1994 which will be refined outside the customs territory of the Russian Federation, with due regard for feasibility reports by the Kalinigrad Oblast administration.

3. The Russian Ministries of Economy, Finance, and Agriculture should provide in 1994-95 centralized funds to agribusinesses of Kaliningrad Oblast covered by the federal special-purpose programs.

4. The administration of Kaliningrad Oblast should submit a long- term plan for developing the fishing industry to the Russian Ministry of Economy within a month.

The Russian Ministries of Economy and Finance and the Russian Federation Committee for Fishing Industry, along with the Kaliningrad Oblast administration, should examine the above program and submit to the Russian Government proposals regarding its financing beginning in 1994.

5. The Russian Fuel and Power Engineering Ministry and the Russian Energy and Electrification Joint Stock Company should:

—undertake measures ensuring steady energy supplies to the economy of Kaliningrad Oblast and technical capabilities for sending an additional 10 megawatts of electricity;

—when devising a feasibility plan for the construction of an electric line connecting Russia and the West, consider the possibility of connecting to it the "Yantarenergo" joint stock company.

6. The Kaliningrad Oblast administration, along with the Kaliningrad aviation enterprise, should come up with and approve, according to an established procedure, a feasibility report on the development of the Kaliningrad airport that will ultimately receive international status.

7. While drafting the state budget for 1994, the Russian Transportation Ministry should provide subsidies and subventions to Kaliningrad Oblast for building public roads.

8. The Kaliningrad Oblast administration, along with the Russian Transportation Ministry, the Federal Border Service, and the Chief Command of the Russian Border

Troops, should consider the possibility for using the Gusev-Goldap-Suwalki-Grodno automobile motorway (running through Poland and Belarus and detouring Lithuania) as an alternative transit route and submit relevant proposals for examination by the Russian Government.

9. The Russian Ministries of Economy and Finance should examine the issue of extending to Kaliningrad Oblast investment credits to complete in 1994 the construction and modernization of building materials enterprises that were financed by the centralized sources.

10. The Kaliningrad Oblast administration and the Russian Environmental Protection Ministry, along with other interested federal executive bodies, should put together and submit within three month to the Russian Government a draft resolution on administering reserves and other territories under strict protection in Kaliningrad Oblast.

11. The Russian Environmental Protection Ministry and the Kaliningrad Oblast administration should take measures preventing the smuggling of toxic waste across Kaliningrad Oblast.

12. The Kaliningrad Oblast administration, a state customer that ordered the federal development program for Kaliningrad Oblast, in conjunction with the Russian Ministries of Economy and Finance and other relevant Russian executive bodies, should put together and submit to the Russian Government in the third quarter of 1994 a draft of the above program reflecting issues related to the development of power engineering, transportation, education, health care, culture, municipal services, environmental protection, etc.

[Signed] Russian Prime Minister V. Chernomyrdin
[Dated] 25 May 1994

Chechnya Accuses Russia of Violating Airspace

LD2906202394 Moscow INTERFAX in English 1758 GMT 29 Jun 94

[Text] The Chechen republic has assessed the attempt by Russian helicopters to continue chasing terrorists above the territory of the republic as "an illegal violation of the air space of a sovereign state." The Chechen Foreign Ministry told Interfax that "only the Chechen republic's obligations to confront terrorism as an international phenomenon prevented it from taking tougher measures against the violators of the air space."

The Chechen State Security Department told Interfax that the Chechen anti-aircraft forces had forced the Russian helicopter following the helicopter with the terrorists on board land at Groznyy airport after they crossed the Chechen border.

"The detention and neutralization of the terrorists was carried out by Chechen special purpose units," a spokesman for the department said.

The terrorists had captured a bus with civilians near Mineralniye Vody and flew for Chechnya having been given a ransom of several million dollars.

At the moment, the terrorists, including two Chechen nationals and one Kumyk (one of the peoples populating Dagestan—IF note) are in a custody in Groznyy under investigation. Negotiations are held to extradite the terrorists to Russia.

At the same time, a high-ranking official of the Chechen presidential staff told Interfax that Groznyy would insist on Russia's notifying it of emergencies. He described the fact that the Russian side had failed to take part in the detention of the terrorists near the Chechen town of Gudermes as a blunder by the Russian special services.

Lack of Funds Imperils Ossetian-Ingush Peace Plan

PM2906124994 Moscow KRASNAYA ZVEZDA in Russian 29 Jun 94 p 3

[Report by Petr Kirillov under the "Postscript: Events and Commentaries" rubric: "37 to 1—Alas, Not in Favor of Settling the Conflict"]

[Text] Ramazan Abdulatipov, deputy chairman of the Russian Federal Assembly Federation Council, held a news conference 28 June on problems of settling the Ossetian-Ingush conflict.

He described as grave the situation which has taken shape there, "although a degree of stabilization is taking place out of the laws of evolution, with no special interference, and maybe even despite interference by federal and local organs of power. People are tired and are themselves seeking peace."

Abdulatipov pointed out that in the past, in fulfillment of the president's edict of 13 December 1993, which clearly designated ways out of the crisis, the Russian Government adopted a corresponding decree. Of its 37 points, to date just...one has been fulfilled. Although the deadline was set for March-April of this year. The matter is being held up either at the Ministry of Economics or at the Ministry of Finance. Whether they want it or not, Abdulatipov declared, their sluggishness could lead to new clashes.

For example, the planned capital investments in Ingushetia amount to 91 billion rubles [R]. To date, however, Ingushetia has received only R800 million—just 0.8 percent of the set amount. In Ingushetia 0.8 percent has been spent on housing construction, and 6 percent on other sectors. The construction workers who have rebuilt houses for refugees in North Ossetia have not even received their wages. The most interesting thing, Abdulatipov pointed out, is that money is being allocated in accordance with all the documents. But very insignificant amounts reach the addressees.

What question can there be of resettling refugees if houses are not being rebuilt? At the same time dozens of construction companies are looking for work in the North Caucasus. There are approximately 110,000 unemployed people in the region. There is a construction infrastructure. There is no money.

Unless decisive measures are taken, the state of emergency zone in the region of the Ossetian-Ingush conflict will become a paradise for political adventurers and criminals.

'Siberian Accord' Association Holds Meeting

PM2906131994 Moscow ROSSIYSKIYE VESTI in Russian 29 Jun 94 p 2

[Report by Gennadiy Gypylov: "We Shall Grow Through Siberia if We Raise It Up, 'Siberian Accord' Members Believe"]

[Text] Irkutsk—Saturday and Sunday were working days on Lake Baykal for the members of the "Siberian Accord" regional association. The leaders of 19 components of the Russian Federation—from the Urals to the Transbaykal—met at the lake to coordinate the activity of republics, krays, and oblasts on socioeconomic problems. State Duma Chairman Ivan Rybkin, Vice Premier Sergey Shakhray, and Federal Assembly upper chamber chairman Vladimir Shumeyko took part in the latest session.

The principles of regional policy, charges for electricity and rail transport, measures to overcome adverse phenomena on the labor market were the range of questions discussed. Without going into details I shall note the main thing: The Siberians have a reasoned and persistent desire to play a leading role in the country's state development. No one likes the role of pawns. Their only "diversion and delusion of youth" was that a year ago they spoke of their own Siberian republic.

And until the October rebellion everyone repeated that Russia would be saved by the regions. Irkutsk Governor Yuriy Nozhikov believes that "these phrases were current while the authorities sought allies in the provinces but when they no longer needed allies they could not see the role of the regions...." "But now they have developed a unified position so that the attitude toward the regions is not seen as the attitude of the metropolitan state toward a colony?" the reporters asked the "fathers" from "Siberian accord." The latter replied "perhaps," "it must be supposed...." Now there are real constitutional powers but.... They cannot sense any unity. The components are waging a quiet but very noticeable permanent struggle. Both among themselves and with Moscow.

Perhaps this does not apply only to Irkutsk Oblast and Krasnoyarsk Kray. They have much in common in their economies and raw material resources and they are linked by the same Angara-Yenisey waterway.... Of course, they also defend their own interests—and win. Here they recalled how some time ago by an edict of the president instructed that the local very powerful hydroelectric power stations—the Bratsk, Ust-Ilimsk, Ust-Khantayskaya, Kureyskaya, and others—be transferred to the ownership of the "Unified Power Grid of Russia" Russian state joint-stock company which has been created. Their turbines generate an enormous quantity of energy, which is the cheapest in the country. This is the most profitable item of the local budget. If a joint-stock company were formed they would have to buy their own electricity, but at high prices. That is why there was powerful resistance from the regions. It was settled by the Constitutional Court in favor of the two components. The victory on this principled dispute was a lesson to others. We must talk with the regions in a civilized language, observing mutual interests.

The Baykal meeting showed that the activity of the "Siberian Accord" is nonetheless characterized by a further attraction toward the integration of the regions and toward the improvement of people's economic standard and consequently their living standard. Incidentally, it was noted that life expectancy here is five to 10 years less than in the central part of the country and that Siberian health today is a myth.

In elaborating the new concept of economic collaboration all factors of the reform were considered. They are reflected in the documents which were adopted. A new regional ideology is taking shape, albeit slowly—the further decentralization of power and, as they said here, their "decolonization."

Indeed, Russia will grow through Siberia if Siberia itself acquires the right it needs to independent economic initiative.

All participants in the meeting liked the great lake, its deep water, and wide, free expanses. The guests tasted the famous Baykal fish, the omul. And their courteous hosts—the leaders of the Irkutsk and Chita Oblast administrations and the Buryatia Government—reminded the country's eminent officials that the "law on Baykal" has been languishing in their files for a long time now. Two years ago they prepared this document but were unable to achieve its adoption in the former parliament, and the State Duma is still only studying the draft.

Accident to Stored Radioactive Waste Under Control

LD2906124494 Moscow INTERFAX in English 1015 GMT 29 Jun 94

[Text] The accident which occurred with solid radioactive waste products being stored on the Pacific Fleet in Kamchatka was brought under control, the Russian Ministry for Emergency Situations (RMES) told INTERFAX.

On June 26 two plates encasing a store of solid radioactive waste sagged as a result of a flash flood. The RMES

said that after experts examined the background radiation it was exceeding the acceptable level at only two sites.

Before the concrete cover could be restored, the site of the accident was covered with lead sheets in order to minimize possible leakage of radiation. The RMES said that the sagged encasing plates had been changed on June 29. The radiation background had been normal at that time.

The department for control over radiation security of military and defense facilities under the State Atomic Control Committee (Gosatomnadzor) told INTERFAX that the department had practically no ability to control nuclear facilities under the Defense Ministry as the Defense Ministry was not observing the provision on interdepartmental state control.

According to nonofficial information, a high-ranking official from Gosatomnadzor said that no people had been affected and that the environment had not been polluted during the accident.

The same sources said that solid waste of low radioactivity was kept in the storage facility namely special uniforms, spare parts and equipment affected by radiation.

This store has received no waste since 1975 and during this period of time all fast-decaying isotopes had dissociated, the official said. He stressed that there would never be any catastrophe with this store of waste.

Correction to Radioactive Waste Accident

LD2806134394

The following correction pertains to the item headlined "Accident Reported in Radioactive Waste Depository," published in the 28 June Central Eurasia DAILY REPORT, page 36:

First paragraph, third sentence make read: ...today's issue of VESTI, quoting the heads... (correcting name of newspaper)

International Affairs

Kiev Agrees to IAEA Supervision of Nuclear Facilities

LD2906135894 Kiev Radio Ukraine World Service in Ukrainian 1300 GMT 29 Jun 94

[Text] An official Ukrainian delegation, led by Deputy Foreign Minister Borys Tarasyuk, and representatives of the IAEA have held negotiations at the agency's headquarters in Vienna on concluding an agreement on the application of that organization's safeguards with regard to the nuclear materials used in our state's peaceful atomic activity.

This agreement will encourage the development of international cooperation in the civilian use of nuclear power in Ukraine, and will ensure that any restrictions on the supply to Ukraine of the nuclear materials, equipment, and technologies, necessary for Ukrainian nuclear power stations to function normally and their safety to increase, are lifted.

Once the text of the agreement has been agreed upon, the document is expected to be signed in September this year.

Deputy Foreign Minister Speaks at CSCE Forum

LD2906220494 Kiev Radio Ukraine World Service in Ukrainian 1900 GMT 29 Jun 94

[Text] Borys Tarasyuk, head of Ukraine's National Disarmament Committee and deputy foreign affairs minister, delivered a speech at a plenary CSCE session in Vienna today. In particular, he informed the session participants about the measures taken by the leadership of Ukraine in the field of nuclear disarmament and armaments control. Relevant decisions by the Supreme Council, the president, and the government convincingly testify to Ukraine's responsible attitude toward issues of the nonproliferation of mass annihilation weapons, and Ukraine's readiness to establish equal partnership relations with all countries to ensure universal peace and stability.

Touching on the nuclear weapons nonproliferation issue, the Ukrainian representative told the participants in the forum that a relevant agreement on the implementation of the IAEA guarantees in relation to the nuclear materials used for peaceful nuclear activities in Ukraine was coordinated with that agency recently.

In his speech Borys Tarasyuk paid special attention to the prospects of Ukraine's participation in multilateral undertakings to control the export of sensitive goods and technologies. In particular, he criticized the stand of the former Cocom [Coordinating Committee for Multilateral Export Controls] member states, which does not take into account Ukraine's proposal on its participation in the process of creating a new international regime of export control.

Official Views Delegation Tasks at UN Council Session

AU2906124994 Kiev HOLOS UKRAYINY in Ukrainian 28 Jun 94 p 5

[Unattributed report: "Difficult Work Is Ahead of Us"]

[Text] A session of the UN Economic and Social Council opened in New York yesterday. In terms of significance, it occupies third place in the structure of the United Nations after the General Assembly and the Security Council. Ukraine is a member of the UN Economic and Social Council and participates in all its sessions.

"This time, our delegation must raise, first and foremost, the questions of social and economic development of the Ukrainian state, the course of reforms, and the assistance to these processes on the part of the United Nations," said First Deputy Minister of Foreign Affairs Mykola Makarevych. "Besides, we must also draw the attention of the world community to two problems that are important and painful for us—the presently effective UN sanctions against the former Yugoslavia and the size of Ukraine's monetary contribution to the United Nations. We will again insist that it is primarily the civilian population that suffers from the sanctions. That is why we attach great importance to either canceling the sanctions or minimizing them. Regarding contributions, very complicated work is envisioned. We are not only indebted to the United Nations, but also to other international organizations. Even though the percentage is, in fact, exceedingly high for Ukraine, the money must be paid. In this direction, we will continue to elaborate a mechanism enabling us to correctly calculate the size of our contributions and submit the relevant information to the United Nations."

Article Stresses 'Confidence' in Relations With U.S.

WS2906131894 Kiev VECHIRNIY KYYIV in Ukrainian 25 Jun 94 p 1

[Article by Volodymyr Chikalin: "The Telephone of Confidence Will Soon Connect Ministers of Ukraine and the United States"]

[Text] So far, the hot-line telephone has been installed in the office of U.S. Secretary of Defense William Perry. Specialists from the United States are expected in Kiev soon to establish a direct connection between our defense minister and his U.S. colleague. During an official visit to the United States by a delegation of the Ukrainian Armed Forces, Ukrainian Army General [and Defense Minister] Vitaliy Radetskyy spent three days in the company of William Perry. The atmosphere of confidence can be confirmed by the following fact: Our minister observed the dismantlement of a strategic missile launcher. (By the way, he also had an opportunity to touch the tumbler that destroyed it.) He showed us the device used to do that, which he kept as a souvenir. He also told us that the explosion at the silo was observed by

a farmer and his family, on whose land the launcher had been located. His wife held their two-month-old son, who did not even wake up from the sound of the explosion. This fact confirms the security of works connected with the dismantling of silos, and those that are still in operation, which had previously been aimed at Ukraine but were retargeted on 30 May. We did the same thing as early as December of 1993.

Most likely, relations of confidence, which have been established between the chiefs of military departments, will soon be expanded to include officers and soldiers.

An agreement on training Ukrainian officers at U.S. military education centers has been reached. Meanwhile, our soldiers are preparing for joint military exercise with Polish and Dutch servicemen. Similar exercises with U.S. Army units have been scheduled for 1995.

According to Vitaliy Radetskyy, there are plenty of things to be implemented, based on the experience of our U.S. colleagues. In particular, this relates to the organization of education centers and use of simulators. An agreement has already been signed, which envisions that 12 Ukrainian officers will be sent to military centers to study the U.S. experience firsthand. At the same time, however, we cannot copy everything; which must take into account our own capabilities and conditions, which are quite unique. For example, let us look at living standards. The Army driver who was driving Vitaliy Radetskyy during his visit to the United States, is a contract serviceman. He receives $1,600 [per month], has his own apartment and car, as does his wife. Our country, however, currently does not have funds to introduce a contract service that would meet servicemen's demands. Therefore, the mixed system of staffing the Army is being preserved. As of today, 72.3 percent of young reinforcements have been drafted, and 35,000 people are already serving on contracts. Nevertheless, in general, these conditions do not satisfy people. This relates, in particular, to wages. A lieutenant receives so little money that he is not able to invite his girlfriend to a cafe. Therefore, the defense minister has recently addressed the issue of increasing financial provisions for servicemen to the president and the Supreme Council.

Further Reportage on Cuban Official's Visit

Meets With Kravchuk

LD2906210094 Kiev Radio Ukraine World Service in Ukrainian 1900 GMT 29 Jun 94

[Text] On 29 June Ukrainian President Leonid Kravchuk received Lionel Soto, vice president of the Council of Ministers of the Republic of Cuba, who paid an official visit to our country as head of a Cuban governmental delegation. There was a conversation during which various aspects of Ukrainian-Cuban cooperation were touched upon.

We highly assess the all-round development of such relations and strive for their successful development in this direction, Leonid Kravchuk said. Our people, he stressed, have always respected the Cuban people.

In the conversation they discussed a number of long-term trends in Ukrainian-Cuban cooperation.

After the meeting Lionel Soto replied to a number of questions from journalists. Dwelling on his conversation with the president he referred to it as very important. We had an opportunity to exchange opinions with the president on restoring relations between the two countries and their further development, already in new conditions, when Ukraine acts as an independent state. For a certain period of time these relations were weakened, however at present prospects have become available for restoring and deepening these relations.

Signs Merchant Shipping Agreement

LD2906184994 Kiev Radio Ukraine World Service in Ukrainian 1600 GMT 29 Jun 94

[Text] On 29 June Lionel Soto, vice president of the Council of Ministers of the Republic of Cuba, who is on an official visit to Ukraine, and Ukraine's Transport Minister Orest Klympush signed a merchant shipping agreement. There has long been a need for this document, Lionel Soto said. I am convinced that the agreement initiates a new stage in our relations. As of today we can carry on trade right across the sea, because Cuba is an island state and this is the only way to communicate with the outside world.

Comments on Economic Needs

LD2906184394 Kiev Radio Ukraine World Service in Ukrainian 1600 GMT 29 Jun 94

[Text] The leader of a Cuban governmental delegation, Vice President of the Council of Ministers of the Republic of Cuba Lionel Soto, referred to his delegation's visit to Ukraine as very important.

At a news conference in Kiev, Lionel Soto pointed out that the main objective of the visit was to restore all the economic relations which Ukraine and Cuba maintained during the Soviet Union's existence. After the disintegration of the USSR, he pointed out, these relations have been almost abolished.

The head of the Cuban governmental delegation also declared that there are no political differences between our two states and that our peoples are friendly peoples.

At present, Lionel Soto said, we must get down to specific work on developing our relations.

Visits Antonov Aircraft Factory

LD2906134294 Kiev UNIAR in Ukrainian 2200 GMT 28 Jun 94

[Text] Kiev, 28 Jun—A Cuban delegation led by Vice President of the Council of Ministers Lionel Soto was received by Supreme Council of Ukraine Chairman

Oleksandr Moroz. He informed the delegation about the process of forming Ukraine's supreme legislative body and the decisions made to curb the economic crisis and to encourage nation-building in Ukraine. The meeting was attended by Ukrainian Foreign Minister Anatoliy Zlenko, and by Diogenes Hernandez Astorga, the Cuban ambassador extraordinary and plenipotentiary to Ukraine.

The Cuban guests were acquainted with the work of the Antonov aircraft production association, where they met with personnel of the machine building military-industrial complex, Conversion Minister Dmytro Chernenko, and the association's designer-general, Petro Balabuyev, and leading specialists.

Moroz, French Envoy Discuss Economics, Chernobyl

LD2906212694 Kiev Radio Ukraine World Service in Ukrainian 1900 GMT 29 Jun 94

[Text] On 29 June Oleksandr Moroz, chairman of Ukraine's Supreme Council, received Michel-Yves Peissik, French ambassador to Ukraine. Issues related to the development of Ukrainian-French relations were discussed during the conversation. Much attention was paid to ways of encouraging French investment in Ukraine's economy. Whoever is the first to do this will gain a higher profit, Moroz stressed.

Among the major topics discussed was the issue of eliminating the consequences of the Chernobyl accident. Chernobyl is a misfortune not only for the Ukrainian people. The world community should understand that this is a matter of concern for all. It is necessary to resolutely move from declarations to concrete assistance, Moroz declared.

Peissik said that a representative of France's prime minister is expected to arrive in Ukraine in early July. This visit will be entirely dedicated to the Chernobyl issue. During the talks they also discussed ways of expanding Ukrainian-French interparliamentary relations.

National Affairs

Crimean Militia To Take Orders From Ukraine Ministry

MK3006070094 Moscow SEGODNYA in Russian 30 Jun 94 p 1

[Unattributed report: "Crimea's Militia Will be Under Ukraine's Internal Affairs Ministry"]

[Text] Following long discussions, Ukraine's Supreme Soviet finally passed on 28 June amendments to the country's laws "On the Militia" and "On Dividing Powers Between the Organs of State Power of Ukraine and Crimea." According to the laws, the Crimean militia will take orders from Ukraine's Ministry of Internal Affairs. It is unclear yet in which form the local militia is going to be accountable to the Supreme Soviet of Crimea.

Deputies Criticize Decisions on Militia

LD3006004694 Kiev UNIAN in Ukrainian 1950 GMT 29 Jun 94

[Text] Simferopol—On 29 June the first session of the Supreme Council of Crimea continued its work. Issues on the program for economic reform in the autonomous republic, on the structure of the government, and on target subsidies to people with low incomes in connection with the expected rise in prices for bread were put on the agenda.

The deputies approved a resolution on raising the excise duties for wines, hard liquors, and beer produced in the republic. The resolution will come into force as of 1 July. By the way, its text coincides with a similar decree by the president of Crimea which was signed and validated on 24 June.

The deputies postponed the issue on target subsidies so as to discuss it in the presence of Yuriy Meshkov.

The deputies decided to consider the situation which took shape in the militia bodies after the approval by the Supreme Council of Ukraine of amendments and additions to the law of Ukraine "On militia" and "On the delimitation of powers between the bodies of state authority of Ukraine and the Republic of Crimea" on 28 June. In the opinion of Serhiy Tsekov, chairman of the Supreme Council of Crimea, the Ukrainian parliament "infringed upon the laws on the status of the Republic of Crimea and on the delimitation of powers."

A deputy commission headed by deputy chairman of the Supreme Council of Crimea Oleksiy Melnykov was set up to consider this issue. On the same day the commission got down to work and met the members of the collegium of the chief Directorate of Internal Affairs in Crimea under the Ministry of Internal Affairs of Ukraine. As Oleksiy Melnykov told the deputies, only three members of the collegium agreed to work at the Chief Directorate of Internal Affairs of Crimea. There were proposals on the part of the deputies to lift a moratorium on holding the Crimean referendum and terminate negotiations with the delegation of the Ukrainian parliament.

The commission was charged with drafting a resolution on the situation which took shape. The debate on the issue will be continued at a regular plenary sitting on 30 June.

Kuchma Regards 1st Round of Elections as Success

LD2906180194 Moscow INTERFAX in English 1438 GMT 29 Jun 94

[From the "Presidential Bulletin" feature]

[Text] Leonid Kuchma, a former prime minister who runs for presidency, described the results of the first round of elections as a triumph of the economy stabilization course and his own success.

He said at a news conference in Kiev that quite a few people had voted for him even though he had no access to speak of to state-owned mass media. IF Note: According to the Central Election Commission [CEC], in the first round 9,944,474 people, or 37.72 percent, voted for Leonid Kravchuk and 8,244,844 (31,27 pct) for Leonid Kuchma. They are followed by Aleksandr Moroz (3,437,816, or 13.04 pct), Vladimir Lanovoy (2,455,830, or 9.32 pct), Valeriy Babich (630,392, or 2.39 pct), Ivan Plyushch (341,173, or 1.29 pct) and Petr Talanchuk (142,996, or 0.54 pct). The CEC Chairman Ivan Yemets officially announced Tuesday that runoff elections would be held in which the voters would have a choice between Kravchuk and Kuchma. The exact date will be announced on 30 June. It is expected to be 10 July.

Kuchma thought that the large support given him, Moroz and Lanovoy showed that the people wanted change.

He advocated evolutionary reform of the economy and expressed his willingness to cooperate with leading economists, in particular Vladimir Lanovoy and Viktor Pinzenik.

He confirmed his view that the CIS had to be a common economic space and emphasized, however, that he objected to Ukraine's entry of the ruble zone and to a military alliance in the CIS framework. He made it clear that he wanted only an economic union.

Kuchma said that he had found during his election campaign there was no problem of Crimea but Crimea did not trust the Kiev authorities.

He said that if he is elected he would do his best to work constructively with parliament and never engage in a tug-of-war for power.

In a protest he filed with the Central Election Commission and the Supreme Soviet Presidium Kuchma said that the state-owned mass media had promoted only the case of Leonid Kravchuk in the whole month of June 1994.

In particular, even on the election day they urged people to vote for him. This was a flagrant violation of electoral legislation.

The supporters of parliament Chairman Aleksandr Moroz will vote for Kuchma in the second round of elections and those who voted for Vasiliy Lanovoy in the first round, for Kravchuk, said Viktor Pinzenik, chairman of the Reform Support Fund. He told INTERFAX that numerous voters would not report to the polling stations at all in the second round.

For his part, parliamentary Legislation and Court and Legal System Reform Committee Chairman Sergey Sobolev thought that the supporters of both Moroz and Lanovoy would vote for Kravchuk while Vladimir Grinyov, co-chairman of the Inter-Regional Reform Bloc, believed that every fourth supporter of Lanovoy and three out of every four supporters of Moroz would vote for Kuchma. He assumed that in the second round the turnout would be much lower.

Anton Buteyko, head of the president's foreign policy service, thought that the citizens who had voted for Moroz and Lanovoy in the first round would vote for the man who had been president.

Sergey Dovgan, chairman of the Peasants Party, thought that 100 percent of Moroz's supporters would vote for Kuchma while Lanovoy's electorate would split down the middle. IF Note: The runoff election will be won by the candidate who wins more than his rival provided that more votes are cast for than against him. In the first round of presidential elections the difference between Kravchuk and Kuchma was 6.5 percent.

Kuchma Addresses Parliament on Election Breaches

LD2906181494 Moscow ITAR-TASS in English 1549 GMT 29 Jun 94

[Report by ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[Text] Kiev 29 June TASS—"The progress of elections forces me to make the conclusion that the Central Election Committee, the state-run broadcasting and other mass media, especially the parliamentary newspaper GOLOS UKRAINY, blatantly disregard the law on presidential elections, as well as parliament's resolution guaranteeing equal opportunities for electioneering and campaigning", presidential nominee Leonid Kuchma said on Wednesday [29 June] in an address to Ukraine's parliament.

According to former Prime Minister Kuchma, "for the past month, Ukraine's national television has been virtually transformed into daily air time of one presidential nominee—Leonid Kravchuk." The ex-premier is particularly concerned over the fact that "the Central Election Committee pretends not to notice these irregularities and ignores gross violations of the election procedure reported by some foreign observers."

With this in view, Kuchma urged the parliament presidium "to consider the issue of disregarding the election law by the State TV and Radio Company and other central mass media, as well as the political stand taken by the Central Election Committee."

The former prime minister also lodged a protest with the Central Election Committee, demanding that resolute measures be immediately taken to implement the law on presidential elections, which provides for equal opportunities for candidates to carry out election campaign.

Kuchma Demands Access to Media for Election Campaign

LD2906142294 Moscow INTERFAX in English 1221 GMT 29 Jun 94

[Text] Leonid Kuchma, a Ukrainian presidential candidate, filed a protest with the Ukrainian Central Electoral Commission and the Supreme Soviet Presidium, saying that the state-controlled media gave access only to incumbent President Leonid Kuchma. [as received]

In particular, he wrote that the Ukrainian television promoted Leonid Kravchuk even on election day, 26 June, in flagrant violation of the law.

Kuchma won nearly 32 percent and Kravchuk nearly 38 percent in the first round of presidential elections.

Election Results in Crimea Reported

944K1606A Simferopol KRYMSKAYA GAZETA in Russian 28 Jun 94 p 1

["Our correspondent" report: "Crimeans Have Made Their Choice"]

[Text] Some 1,103 polling stations opened last Sunday at 0700 hours Moscow time (an hour earlier than throughout Ukraine) in cities and districts of Crimea. The elections of a president of Ukraine had begun. This is the third election campaign on the peninsula since the start of the present year. And if it is considered that in the first two the elections were held in two stages, 26 June was the fifth time that Crimeans had gone to the polls.

The campaign for the election of the president of Ukraine crept up somehow imperceptibly, without the usual ballyhoo and scope. Only in the final week before the elections did all seven Ukrainian presidential candidates take part in a televised debate, speak on radio, and tour the regions, the Republic of Crimea included. The candidates for the position of head of state endeavored to win votes by personal contact with the electorate and presentation of their programs.

And this was not an easy choice for the latter. Which of the seven to choose? After all, what our lives will be like in the future will depend on who is elected. We cannot, therefore, make a mistake and approach the polls indifferently, as just another campaign of which we are sick and tired. This is a critical and decisive choice, particularly for Crimea, with its difficult relations with Ukraine.

The fears that the summer vacations and the height of the summer season would influence the activity of the election were unfounded. Those who had left Crimea were able to perform their civic duty as of 11 June. Students who had passed their examinations and lecturers who had gone on leave availed themselves of this right at Polling Station 1/253 of the republic center's Zheleznodorozhnyy Rayon, which is located at the Medical Institute. Polling Station 1/350 of Tsentralnyy Rayon was crowded from the first hour that it was open. Fifty percent of those on the electoral roll had voted here by 1400 hours.

According to preliminary information, 52 percent of the electorate had participated in the elections in the republic as of 1600 hours. The greatest activity was displayed by the electorate of Nizhnegorskiy (57.2 percent), Razdolnenskiy (63.3), Krasnoperekopskiy (57.2), Belogorskiy (55.9), and Krasnogvardeyskiy (53.2) Rayons and Sudak (54.6), Kerch (53.6), and Bakhchisaray (58.8 percent).

According to the data of the district election commission of Crimean Election District No 1, some 1,003,785 persons participated in the ballot for the election of the president of Ukraine, and 999,376 persons actually voted, which constituted 62.7 percent.

The vote was distributed as follows:

Valeriy Georgiyevich Babich—19,272 "for," 971,718 "against" (1.9 percent);

Leonid Makarovych Kravchuk—74,243 "for," 916,747 "against" (7.4 percent);

Leonid Danilovych Kuchma—825,250 "for," 165,740 "against" (82.6 percent);

Volodymyr Timofeyevych Lanovyy—33,623 "for," 957,367 "against" (3.4 percent);

Oleksandr Oleksandrovych Moroz—12,640 "for," 978,367 "against" (1.3 percent);

Ivan Stepanovych Plyushch—2,975 "for," 988,015 "against" (0.3 percent);

Petro Mykhaylovych Talanchuk—2,224 "for," 988,766 "against" (0.2 percent).

Repeat elections were held on 26 June in four election districts in which deputies of the parliament of Crimea had not been elected on 27 March: Chapayevskiy No. 6 of Yevpatoriya, Livadiyskiy No. 29 of Yalta, and Sevastopolskiy No. 63 and No. 64.

According to data of the Central Election Commission for Elections of the Supreme Council of Crimea, the elections were valid, but a runoff for the election of the deputies were scheduled for all the districts for 10 July.

Meshkov Accused of 'Attempts To Gain Absolute Power'

LD2906175094 Kiev UNIAR in Ukrainian 2200 GMT 29 Jun 94

[Text] Sevastopol, 28 Jun—Interviewed by the KRYMSKIYE IZVESTIYA [CRIMEAN NEWS] newspaper, Serhiy Nikulin, leader of the Russia grouping at the Supreme Council of Crimea and chairman of its nation-building, legislation, legality, law and order standing

committee, accused Yuriy Meshkov and Yevhen Saburov, the autonomy's president and deputy prime minister respectively, of "attempts to gain absolute power" in Crimea and "place themselves outside any control by parliament, as happened in Russia after the shooting at the Supreme Soviet."

Serhiy Nikulin says this began with "the Crimean presidential administration and government moving away from the political forces that ensured Yuriy Meshkov's victory in the presidential election." He doubts whether the president intends to carry out his pre-election program.

The Russia bloc, Serhiy Nikulin underlines, "opposes this Crimean government's unlimited power only in order to be able on behalf of the people to supervise its actions."

Politicians Assess New Prime Minister

AU2906171794 Kiev DEMOKRATYCHNA UKRAYINA in Ukrainian 28 Jun 94 p 1

[Unattributed report: "Ukrainian Political Figures Answer the Question by the Information Service VYBIR: 'What Is Your Opinion of [Prime Minister] Masol?'"]

[Text] **Les Tanyuk**, member of the Rukh [Ukraine's People's Movement for Perestroyka] faction in the parliament: "The choice of Masol is logical—once Socialists head the parliament, they must have a socialist prime minister."

Volodymyr Pylypchuk, member of the "Center" faction: "After hearing his program, I must say that Masol has changed. His program coincides with mine by 90 percent. Masol has seriously changed—he engaged in business for four years. It is not bad that the left-wing forces have won. In the past, they came out as an active separatist force, and now they have got this state and must take care of it. Perhaps, today, they are the only ones capable of keeping it united."

Serhiy Holovatyy, member of the faction "Reforms": "There is one positive aspect to Masol's election—this is the first case when the prime minister was elected by the parliamentary majority alone."

Oleksandr Yemets, member of the presidium of the Party of Democratic Revival of Ukraine: "With the beginning of the formation of a procommunist government and victory of communist forces in parliamentary elections, the 'left-wing' forces must form a government of like-minded people, since it is impossible today to form a coalition government."

Yukhym Zvyahilskyy, Ukraine's people's deputy: "Masol is a good specialist and an industrialist. The government's policy will be maintained as long as he is in power. We had many meetings when I was the acting prime minister, and we could agree on the majority of issues."

Vyacheslav Kyrylenko, leader of MoNR [expansion unknown] and former chairman of the USS [expansion unknown]: "A power which advances past leaders to the political proscenium, shows that it has no future."

Mine Strikes Seen Directed Against Kravchuk

LD2906171094 Kiev UNIAN in Ukrainian 1330 GMT 29 Jun 94

[Text] Donetsk Oblast [no date as received]—As UNIAN reported, miners at the "Ordzhonikidzevuhillya" coal production association and the "Yenakiyevo" and "Poltava" pits went on strike in Yenakiyevo on 27 June, demanding payment of wage arrears. The strike continued at these mines on 28 June. Some of the miners at the Karl Marx, "Chernovonyy Zhovten," "Chervonyy Profinter," and "Yunkom" pits joined the strike. A total of 1,200 of the association's 2,248 workers are on strike. A rally consisting of 350 miners was held on 28 June near the town council building where demands were made to pay the wages and dismiss the director general of the "Ordzhonikidzevuhillya" production association.

A strike committee consisting of 12 persons was elected (one of the members is a former Komsomol leader and former USSR people's deputy Viktor Honcharov) and it was decided to continue the strike until the demands that had been raised have been completely fulfilled.

On 28 June, 118 of 258 workers on the second shift at the "PivdennoDonbass" mine of the "Donetskvuhillya" production association in the town of Ugledar refused to start work for the same reasons—delay in paying wages. After a meeting with the mine's director, who promised to pay the arrears, the miners on the third shift returned to work.

On 27 June, all miners on the fourth shift at the "Karbomid" and "Pervomaysk" mines in Pervomaysk, Lugansk oblast, refused to start work (142 and 157 miners respectively).

In the opinion of the mine's representatives, who wished not to be identified, the strike has a clear political hue—to attempt to compromise the existing authorities and, particularly, President Leonid Kravchuk before the second round of presidential elections. According to some reports, among the leaders of the striking pits there are members of the Kuchma-Hrynyov Interregional Bloc of Reforms.

As Kostyantyn Fesenko, chairman of the coal industry workers trade union, informed a UNIAN correspondent, Viktor Yushchenko, the chairman of the National Bank of Ukraine, in a telephone conversation on 29 June, gave assurances that the money for the miners' wages as well

as subsidies for the following month would be found and forwarded in the next few days.

Stances on Transcarpathian Free Economic Zone Viewed

AU2906111994 Kiev HOLOS UKRAYINY in Ukrainian 25 Jun 94 p 3

[Report by HOLOS UKRAYINY correspondent Mykola Horvat from Transcarpathian Oblast: "It Depends Upon the Authorities What Kind of Free Economic Zone We Will Have"]

[Text] In the course of the election campaign in Transcarpathia, the question of the attitude on the part of the contestants to the idea of introducing a Free Economic Zone in the region has become a major one.

Together with their supporters, the present candidates for "governors" and local "parliaments" may be divided into three camps.

The first of these, which includes present leaders of the oblast and of numerous industrial enterprises and farms, and also individual scientists and representatives of a number of influential public and national-cultural societies, supports the idea of creating in the region a Free Economic Zone "Europe-Center" (precisely under this name a package of documents was submitted for the consideration of the Cabinet of Ministers and the Supreme Council). The main author of the bill, Ukraine's people's deputy Serhiy Ustych, who masterminded and inspired the project and is the leader of the group, is also one of the real claimants to the post of chairman of the oblast council. He is also supported by a considerable number of the more than 200 registered candidates for 60 seats in the "parliament" of the region. The most significant of their arguments is, first and foremost, the advantageous economic and geographical situation of Transcarpathia (it borders upon four post-socialist states), which may serve for Ukraine as a kind of bridge between the countries of eastern, central, and western Europe, as an experimental proving ground for the development of civilized entrepreneurship, for the attraction of foreign investments for technical and technological re-equipment of production, and may promote our country's integration into various economic, financial, and other structures of the world.

The second camp, which unites, first and foremost, representatives of local cells of Rukh [Ukraine's People's Movement for Perestroyka], Ukraine's Democratic Party, Ukraine's Republican Party, Ukrainian Nationalist Assembly, and a number of other organizations of national democratic denomination that are adamantly against the Free Economic Zone project in its present form. In their opinion, the introduction of a Free Economic Zone may lead to Transcarpathia's secession from Ukraine and to a situation where the region will be plundered by Western investors. They also fear that it will enable those officials who govern the region, to make a fortune at the expense of others.

This is the position adhered to by former people's deputy of Ukraine and presently candidate for "governor" Viktor Bed. On the whole, he does not reject the idea of a Free Economic Zone and comes out decisively in favor of free entrepreneurship and various economic experiments. However, he believes that the introduction of the zone is premature as long as questions of ownership, civilized privatization, or land reform in the region remain unresolved. Nor does he agree with the present project of the system of management of the Free Economic Zone, when members of the so-called Oversight Council or General Directorate are not elected nationwide.

Yet another claimant to the seat of chairman of the Oblast Council and former first secretary of the [Communist] Party Oblast Committee Professor Vasyl Khymynets is also opposed to the present variant of the bill on a Free Economic Zone in Transcarpathia. In his election campaign, he exclusively promotes legitimization of the results of the oblast referendum held on 1 December 1991 on granting the region the status of a special self-governed administrative territory, which is not the same as a Free Economic Zone (even though some politicians try to equate these entirely dissimilar notions).

One more candidate—the present presidential representative in Uzhhorod Rayon, Ukraine's people's deputy Mykhaylo Dancha, if elected "governor," will seek legislative confirmation of the special economic rights of self-government.

Finally, the third "team" includes those who, in principle, also support the idea of a Free Economic Zone in Transcarpathia. However, not on the scale of the entire oblast, but, to begin with, in individual towns or districts. Present mayor of Uzhhorod Emil Landovskyy is a proponent of such a stand. He has also actively joined the struggle for the highest post in the region. He and his supporters believe that such an approach is the least risky and, if it fails, the losses from the experiment will be minimal. When it proves its viability by concrete results, it may be introduced throughout the territory of the oblast.

As is known, the "old" composition of the Supreme Council "killed" the initial bill on the Free Economic Zone in Transcarpathia. Although, in the opinion of many, at that time political ambitions prevailed over sound economic common sense. The working group analyzed the constructive criticism and proposals voiced at the Supreme Council session, amended the project and sent it to the Cabinet of Ministers and the Supreme Council for further consideration.

Incidentally, the package of documents has already been approved by a number of authoritative international institutions and experts, by the European Bank for Reconstruction and Development, an organization for industrial development—a key structure of the United

Nations, which is also ready to take an active part in attracting investments for implementing major programs.

Thus, by voting for a supporter of a particular trend in the development of Transcarpathia, the voters will determine the future of the region.

World Bank Allots $30 Million for Agriculture

LD2906123094 Kiev UNIAN in Ukrainian 1730 GMT 28 Jun 94

[Excerpt] Kiev [no date as received]—Five representatives of the World Bank's preparatory mission who were working here 6-27 June held their concluding meeting today at Ukraine's Ministry of Agriculture and Foodstuffs. From the Ukrainian side, the following took part in the meeting: Yuriy Karasyk, Ukraine's minister of agriculture and foodstuffs; Borys Kyrychenko, chairman of the Ministry of Agriculture and Foodstuffs' directorate for foreign economic ties; and Mykola Shkarban, chairman of the Association of Ukrainian Farmers.

The experts from the World Bank submitted for consideration a memorandum of a project for the restructuring of Ukraine's agriculture. It defines the structure of a possible guarantee fund for the preliminary financing of agricultural export, develops the structure for the supply of resources for agricultural production, and proposes assistance in creating land registry schemes, etc. According to the project, the granting of technical assistance will begin in September or October.

As Mykola Shkarban, chairman of the Association of Ukrainian Farmers, informed a UNIAN correspondent, the World Bank is allocating $20-30 million for the restructuring of Ukraine's agriculture, of which $10 million is for an appraisal of the country's land resources. However, in total the World Bank could, as part of this project, allocate $1.2 billion but this amount will be allocated only on condition that the Ukrainian Government fulfills the following demands: controls emission, reduces the budget deficit to a minimum, and lifts restrictions on exports and creates a single system of hard currency conversion. However, in Mykola Shkarban's words: "Ukraine is not fulfilling these conditions and is not likely to do so in the near future and that is why we will receive only the projected $20-30 million from the World Bank. In addition, the shortage of private regional companies engaged in supplying means for agricultural production (they make up 15 percent of the total while the remainder is carried out by the Ukrahrotekhservis and Ukrahrokhim concerns) significantly hinders the expansion of investment in Ukraine. The amount invested, therefore, depends on expanding the network of such private dealers. [passage omitted]

Sevastopol Head Assesses Moscow Trip

944K1512A Simferopol KRYMSKIYE IZVESTIYA in Russian 17 Jun 94 p 1

[Interview with V. Semenov by correspondent O. Sigacheva; place and date not given: "...Is Not Moscow on Our Side? The Sevastopol-Russia Common Economic Space Is Already Taking Shape"]

[Text] **At the time of Moscow's May Day anniversary festivities Moscow City Hall allocated for the social needs of Sevastopol a tidy sum—R500 million. This was the result of a trip to the Russian capital by V. Semenov, chairman of the city council. The polemic over this fact continues. Some people consider the Russian money a gift (handout) for the Ukrainian city, others, an important event in the history of Sevastopol and the start of the real integration of the capital of the Russian fleet in Russia.**

[Sigacheva] Viktor Mikhaylovich, who is right? And how, generally, did this idea arise?

[Semenov] Life itself dictates the need to create a common union of Slav states since the latter-day sovereign borders run primarily through the fate of ordinary people. I began to think that the prototype of a future common economic space and the first component of revival could be a union of hero-cities for they are located only in Russia, Ukraine, and Belarus. The idea of a union of hero-cities arose at public organization level last year, and an executive committee of the union headed by Admiral A. Kalinin, former commander of the Black Sea Fleet, was created. But I wanted to expand the framework of military-patriotic education and to raise the concord to a higher, practical level. My proposal concerning the organization of economic ties found a response with A. Sobchak, mayor of St. Petersburg, when, in January, I was there for the celebration of the 50th anniversary of the liberation of the city. I negotiated on economic collaboration specifically with Krasnogvardeyskiy Rayon, which has "defense" enterprises related to ours. E. Shatberger, first deputy chief of the rayon administration, and his deputy, A. Kushchak (a native Sevastopolian, incidentally), have already been to Sevastopol to conclude a more specific agreement.

Moscow Mayor Yu. Luzhkov came on 23 February, visited the cruiser Moskva, and "blessed" the laying of the foundation stone of a home for families of the crew, and we had a chance to talk only in the Officers' House, in the interval at the concert. He liked the idea, and I received an invitation to Moscow for future negotiations.

[Sigacheva] But you did not go immediately....

[Semenov] What can you do if Sevastopol has become the most "political" city in the CIS: 20 planning sessions, and there was, in addition, a special, emergency, session in connection with the aggravated economic situation. It was this that commissioned me to meet with the Russian and Ukrainian leadership. Whereas last year the

immense budget deficit was closed within the framework of the stabilization program, this time L. Kravchuk was unable to say anything reassuring, and when the conversation came around to the funding of the fleet, he said, approximately: This is your problem, go to Moscow, and resolve it there.... It was this "instruction" together with the decision of the session and Luzhkov's invitation that compelled my trip to Moscow.

[Sigacheva] As a suppliant?

[Semenov] No. The main purpose was to show at all levels (in the State Duma, the Federation Council, and the presidential structures) the need for the partial funding of the infrastructure and social sphere of city. Some 35,500 of our inhabitants are the families of servicemen, and the families of workers and employees of naval enterprises constitute more than 75,000—this is just under one-fourth of the population of the city. I had attempted to raise this matter last year during my hour-long interview with B. Yeltsin, but the Mukhalatka accords on the division of the Black Sea Fleet were all the rage at that time, and Boris Nikolayevich believed that economic matters should be decided simultaneously with political matters. But time was on our side, and the Massandra Protocol was signed, and a consensus of the branches of power had, in addition, begun to emerge in Russia. And I decided to initiate a decision on the question of the inclusion of the funding of Sevastopol in the Russian budget.

[Sigacheva] The president agreed with you on this occasion?

[Semenov] On the basis of my letter containing calculations he wrote out a resolution: "To Chernomyrdin, Shumeyko, Rybkin. I request consideration of Semenov's appeal in the work on the 1994 budget." This showed once again that Russia is being true to the protocol of the Massandra meeting.

[Sigacheva] You met with the same understanding among other Russian leaders also?

[Semenov] And what I remember particularly is that all of them, despite the pressure of work, were able to find the time for a comprehensive conversation. The Federal Assembly was at that time considering the important question of the Russian procurator general, and in the break (from 1400 to 1600 hours) Vladimir Filippovich Shumeyko, snatching a bite to eat literally on the run, spent the whole of the rest of the time talking with me. The conversation with Ivan Petrovich Rybkin was held immediately following a sitting of the Duma. And at what time do you think I met with Konstantin Fedorovich Zatulin? At nine in the evening, immediately following his return from Sochi from negotiations with Ardzinba. I also met with important entrepreneurs and enterprise leaders, and I had a useful conversation (it is already bearing fruit) with the chairman of the board of directors of a Russian bank.

[Sigacheva] You did not forget about Luzhkov?

[Semenov] It was hardest of all for him to find the time, and we met almost on the eve of my departure, late in the evening. He issued a command to his deputies immediately, evidently, because it turned out the next day that many questions had already been decided: concerning prescription drugs, textbooks in Russian, gifts for war veterans (and there are in Sevastopol 8,500 who took part in the defense and liberation of the city alone). In the afternoon a session of the Moscow government decided to allocate Sevastopol those same R500 million. In addition, at my request Luzhkov gave instructions for the preparation of a directive that Sevastopolians coming to Moscow not be required to register as "foreigners" and that they pay in the hotels the same as Russian citizens. I negotiated on specific economic cooperation with V. Shantsev, leader of a prefecture of the Yuzhnyy Administrative District. This district has many "defense" enterprises and the ZIL, Dinamo, and Ilich plant giants (an assassination attempt on the leader of the revolution was made at the last named). As we were driving past this plant, I remembered familiar words from the school history textbook: "We will go another way." And thought: In our time this "other way" can only be that of direct, interbusiness ties—at enterprise level—and the creation of joint works without a backward glance at both the republic and local authorities. It would then be immaterial whether this leader or the other remained in office—an agreement would not lapse with his departure. And the strengthening ties would afford people an opportunity to live better—as they deserve.

Many candidates for mayor of Sevastopol have now taken up the idea of a union of Slav states. Viktor Mikhaylovich Semenov is already doing everything to ensure that the formation of a common economic space already begins....

Saburov Presses for Subsidy Limitation

944K1514A Simferopol KRYMSKAYA GAZETA in Russian 17 Jun 94 p 1

[Interview with Crimean Deputy Prime Minister Yevgeniy Saburov by Yelena Gornaya; place and date not given: "Yevgeniy Saburov: 'Support for the Population Must Be Targeted'"]

[Text] **A few days ago the Government of Crimea submitted to the Supreme Council a proposal to consider the question of increasing targeted support for low-income population strata. It is no secret that the other side of this "coin" is a terribly unpopular increase in bread prices.**

Crimean Deputy Prime Minister Ye.F. Saburov already had occasion to have it out with the people on this subject at the beginning of April. After three days of unrest and anxiety, everything settled down somehow. Crimean residents and guests still eat cheap bread.

[Gornaya] So, Yevgeniy Fedorovich, why does the government need the extra hassle of targeted support?

[Saburov] The government takes a firm position that support for the population must be as targeted as possible. This is the principle of the social policy during the transition period. We can make basic foodstuffs and some services cheaper through budget financing of enterprises, or we can give this money directly to those who need it most. Aid to enterprises does not belong in the category of social programs. What happens when subsidies are not targeted? Take the example of bread: In order to keep prices down, the bread-baking industry was subsidized, which required enormous budget expenditures. Which, by the way, came not from some abstract state but from the pocket of that same low-income taxpayer. That is, the poor foot the bill for the right to buy cheap bread not only for themselves but also for well-to-do people, plus visitors.

Now, one way or the other, the vacation season has begun. Bread production has increased 1.5-fold. We, Crimean residents, pay the cost of the additional 50 percent for better-off vacationers. By the way, bread in Russia is considerably more expensive than in the Crimea, and nobody there is shocked by this, because the population's income there is higher. Our budget, on the other hand, carries unjustified expenses that do not protect anyone here, in the Crimea. This was clear even to the previous government. But because of various political events and endless elections nobody dared to get rid of the absurdity. Completely different mechanisms were utilized. Loans were obtained at horrendous interest rates. Paper games were played with the cost of flour—ostensibly cheaper flour was used for subsidized bread while flour purchased at a higher price was sort of set aside for later. And this is how it still goes. At the end of summer grain from the new harvest will begin to arrive, and then a huge jump in the cost of bread is inevitable.

[Gornaya] Especially considering that the yield of grain crops is predicted to meet just about half of the need.

[Saburov] And not only in the Crimea. The entire south of Ukraine was struck by drought. We will have to go quite a distance to buy the rest of the grain. Plus rising fuel prices—just make a mental calculation how much transportation is involved on the path from the field to a loaf of bread. Had bread prices been rising gradually, the current expected jump would have been substantially smaller.

[Gornaya] Yevgeniy Fedorovich, you said all this before in mid-spring, when the government attempted to raise prices. But then it came out, as the president said, that some additional information had not been taken into account, allowing prices to be restored apparently without losses for the budget.

[Saburov] It is rather awkward for me to criticize the president's actions, since I am his deputy. Frankly, Meshkov's decision at the time to repeal the announced price increase was unexpected for me—after all, concurrence had been reached on this issue, and the government could not do something like this unilaterally. The explanation is that candidates for deputy seats put tremendous pressure on the president at the time. Remember the time period between the first and the second round of parliamentary elections? You may put it this way: The president could not go against the will of the Crimean people expressed by the candidates for deputies. From the political standpoint, I can understand him. Although from an economic standpoint it only swept the problem further under the rug. Now, however, in the midst of vacation season, it is simply laughable for us to feed visitors at our own expense.

The same goes for excise taxes on alcohol. Our wine is considerable cheaper than in Russia. Visitors are very happy to buy it. If we now introduce a normal excise tax, it will not faze these visitors. So why should we provide "free" booze for them over the entire vacation season?

[Gornaya] In the winter it was said that wine-making enterprises had surplus inventories. As I understand it, this problem no longer exists, does it?

[Saburov] That is why we propose a flexible excise tax that envisages regulation both in the event of surplus and when demand goes up. The deputies got concerned, however, suspecting that it would create conditions for corruption. They started talking about auditing the Ministry of Finance. Where will the money from redistribution of subsidies go? Well, first, to aid low-income people. Second, it is time to start thinking about preparations for winter. Schools and other municipal sphere facilities will need repairs. And most importantly, we need to stockpile fuel. Pump in gas, bring in coal. We are catastrophically short on money for these purposes. And at the same time, one may say that vacationers are happily drinking up our winter fuel.

[Gornaya] And you are probably also facing the necessity to find the money in the local budget for MVD [Ministry of Internal Affairs] maintenance...

[Saburov] Yes, this will be a considerable amount. We keep facing new problems all the time. I am very concerned about the situation in Crimean institutions of higher learning. Financing from the Ukrainian state budget only covers teachers' pay and student stipends. But what about building repairs? Or supply of fuel? We have to preserve our institutions of higher learning—the only Russian-language higher education schools in Ukraine—at any cost.

[Gornaya] Our new parliament has abandoned the tradition of the old Supreme Council to decide right at the plenary meetings the issues involving subsidies, compensations, and so on. And has abandoned it so completely that it only "took under advisement"—this was the wording adopted at the presidium meeting—all these problems associated with the necessity to raise prices and targeted subsidies. Taking into account how socially

acute this matter is, such a position of people's elected representatives does not look very noble.

[Saburov] Parliament members like to use the word "ethics." Here is a specific situation. Future deputies begged in the spring to keep bread prices down. Then they won the election. But the problem remains unresolved. The government is ready to face the criticism. Nothing we can do about it—this is the fate of every government. In this particular case we asked for only one thing—for the Supreme Council to approve the government's actions with respect to targeted protection of the population. But the presidium only "took it under advisement." All right, this is a trifle. I am concerned about a different matter: Over the period of these entire three months, in all its concrete undertakings the government not only has not got any support but has more often faced opposition. We came here to work. After all, we did not beg to be invited.

[Gornaya] Yes, it is not easy to be in the role of the hated one... All right, what if this political issue of bread prices is again thrown at the mercy of populism? And on top of that we will be drinking cheap vodka all summer?

[Saburov] We will make it through to the fall. By then we will eat up the entire budget. By the time winter comes, we will be without fuel and bread.

[Gornaya] And then "mommy dearest" will be able to extend a helping hand in the form of direct presidential rule.

[Saburov] The whole thing is a paradox: What kind of independence can there be if we have to crawl for pennies to Kiev on every occasion? In order to strengthen Crimean independence, which is what the deputies are dreaming of, we have to take care of keeping revenue coming into the budget. No constitution by itself will feed the people and keep them warm. We have to do something, not just talk, in order to attract additional money to the Crimea. For instance, our proposals to attract money to the Crimea may be implemented instantly, but they are stymied time and again by the position of the Republic Bank of Crimea. Next. We need to immediately deregulate all prices—both industrial and agricultural producers are convinced of it. We do not have to fear a sharp jump in prices as it had happened in Russia, Here the solvent demand already limits price rises. In short, it is time to move to a market economy and stop this decay the Crimea has been wallowing in for several years.

[Gornaya] Are you sure that the system of targeted support will be effective and those who need help will indeed get it?

[Saburov] In principle, it already has been worked out and in operation in the Crimea for quite some time. Currently we are only talking about strengthening it. By the way, in April certain categories of the population received an anticipatory targeted subsidy, and although bread prices were brought back to the old level, the subsidy is being paid to this day.

Belarus

PRC Vice-Premier Qian Qichen Arrives in Minsk

LD2906130894 Moscow ITAR-TASS World Service in Russian 1141 GMT 29 Jun 94

[Report by BELINFORM correspondent for TASS]

[Text] Minsk, 29 Jun (ITAR-TASS)—An official delegation from the PRC led by Qian Qichen, vice-prime minister of the State Council and foreign minister, arrived in Minsk today.

During their visit members of the Chinese delegation are to hold talks with Foreign Minister Pyotr Krawchanka; First Deputy Chairman of the Supreme Council Vyachaslaw Kuznyatsow; and top officials from the Council of Ministers.

At the end of the official program Qian Qichen is to attend the ceremonial opening of the Chinese Embassy in Belarus.

Discusses Cooperation With Krawchanka

WS3006081994 Minsk BELAPAN in Belarusian 1900 GMT 29 Jun 94

[Text] Chinese Vice Premier and Foreign Minister Qian Qichen began a visit to Belarus on 29 June. Belarusian Foreign Minister Pyotr Krawchanka said at a news conference that during talks with his Chinese counterpart—held on the first day of the visit—bilateral cooperation and cooperation within the framework of international organizations were discussed.

The Chinese side expressed great interest in the extension of economic relations between the two states. As of today, Belarus and China have signed 11 bilateral agreements concerning all spheres of cooperation. An agreement to sign new pacts in the immediate future on bilateral cooperation in such areas as communication and information systems, air traffic, and criminal extraditions was reached. A principal decision to draft a political agreement between the two states was also adopted. All these documents could be signed in late 1994 during a planned visit by top Chinese officials to Minsk. Practical issues connected with the establishment of joint Belarusian-Chinese ventures—primarily the setting up of a joint venture dealing with the assembling and servicing of BELAZ trucks on Chinese territory—were also discussed. Mr. Qian Qichen pointed out in his speech that China favors the strengthening of Belarusian-Chinese cooperation in all fields. The Chinese foreign minister sees the key goal of bilateral relations in the implementation of the existing 11 agreements.

Presidential Election Run-off Likely for 10 Jul

LD2906120594 Moscow ITAR-TASS in English 1113 GMT 29 Jun 94

[Report by BELINFORM correspondent Svetlana Kalinkina for TASS]

[Text] Minsk 29 June TASS—A Byelorussian [Belarusian] presidential election run-off will, most probably, be held on Sunday, 10 July. After numerous discussions, it is precisely this date, which has been suggested and is to be ratified by members of the Central Commission for the Election of a Byelorussian President, at a commission meeting to be held on Thursday.

The official results of the counting of votes in the presidential elections are to be announced at the commission meeting. According to preliminary data, the results will not differ substantially from the already announced ones.

Lukashenko Wins 44.82 Percent in 1st Round

LD2906133094 Moscow INTERFAX in English 1221 GMT 29 Jun 94

[Text] The major contenders for the Belarussian [Belarusian] presidency Aleksandr Lukashenko and Vyacheslav Kebich have collected correspondingly 44.82 percent and 17.33 percent of the votes in the course of the first round of the presidential elections in Belarus held on 23 June.

According to official information from the Central Electoral Commission, their names will be put on ballot-papers for the second round of voting.

The Central Electoral Commission is to announce its final decision on the date of the elections on Thursday, however, according to a preliminary opinion of the commission's leaders it will be held on Sunday, 10 June.

Ivan Likhach, secretary of the Central Electoral Commission, reported to Interfax that "in the course of verification of the first round of voting the commission has not found any violations which would give reason to hold an investigation."

Police Face Criminal Charges Over Lukashenko Incident

LD2906142794 Moscow INTERFAX in English 1221 GMT 29 Jun 94

[Text] Belarussian [Belarusian] First Deputy Prosecutor General Vladimir Kondratyev said that a criminal case would be open on the incident involving Aleksandr Lukashenko, MP and presidential candidate.

Police guarding the government building injured Lukashenko as he was going to his office. An ambulance team certified this.

Kondratyev told INTERFAX that, following additional preliminary inquiry a criminal case would be open within three days, as required by Belarussian legislation. His office had received an explanation from the police involved in the incident. They said that Lukashenko had torn off buttons on their uniforms.

Lukashenko is now able to go to his office which he had as chairman of the parliamentary anti-corruption commission.

As a presidential candidate Lukashenko is guarded by officers of the Interior Ministry's State Guard Department as well as his bodyguards.

Agreement Reached With Russian Metallurgy Committee

WS3006094594 Minsk BELAPAN in Belarusian 1900 GMT 29 Jun 94

[Text] BELAPAN has learned that the Russian Federation's Committee for Metallurgy and the Belarusian State Committee for Industry and Inter-Sector Production have signed an agreement "On Preservation of Enterprises' Specialization and Mutual Deliveries" for a term of three years. This agreement foresees the preservation of enterprises' specialization and the promotion of direct Belarusian-Russian contacts sidestepping middlemen. A separate clause regulates mutual deliveries and procedures for drawing up documentation at customs checkpoints.

A supplement to the agreement includes a list of Belarusian-made goods to be sold to Russia on a barter basis in exchange for Russian raw materials for use in producing metals in Belarus (coke, copper, zinc, and other metals). Belarus, in particular, will deliver tractors, vehicles, loaders, and other goods produced by machine- building enterprises to Russia.

Russian Duma Official Views Monetary Merger

WS2906131594 Minsk SEM DNEY in Russian 25 Jun 94 p 2

[Interview with Russian State Duma Representative Anatoliy Lukyanov, member of the Russian Federation Communist Party Central Committee Presidium, by Natalya Bakhir; place and date not given: "About the Age-Old Disease of 'Leftism' Among Communists"]

[Text] The "Russia and Belarus—Path to the Future" conference has recently been held in Minsk. The conference was attended by well known Russian politicians. A SEM DNEY correspondent attended a meeting with Russian State Duma Representative Anatoliy Lukyanov, member of the Russian Federation Communist Party Central Committee Presidium.

Anatoliy Ivanovich described the current situation in Russia as the result of a "the three-year policy of wrecking the foundations of people's life." To confirm this, he provided the following figures. Decline in production, compared with the last year, amounts to 51 percent (27 percent during the first five months of this year). About 5,500 Russian enterprises have been brought to a standstill, around 400 companies stop working every month. Twenty percent of society lives below the poverty level, the same amount—on the verge of poverty. Meanwhile, 0.3 percent (586 families) of people are billionaires in terms of rubles, including Prime Minister Viktor Chernomyrdin. The crime rate has increased by 2.5 times, according to official data. Moreover, the current state leadership is blamed for allowing the pilferage of public property (which is currently governed by the criminal capital), the disruption of economic ties, and the subordination of foreign policy to nondomestic interests.

Anatoliy Lukyanov also responded to some questions. We present a few of his answers.

[Bakhir] *Is Belarus' joining the ruble zone really so burdensome to Russia?*

[Lukyanov] This, in my opinion, is a concoction of people who do not want real unification. No ruble zone will diminish the loss caused by our disunion.

[Bakhir] *How do you see the mechanism for cooperation among Belarus, Russia, Ukraine, etc.?*

[Lukyanov] I see it as a massive pressure on the authorities, though within the law. In particular, this is the establishment of a union of 19 communist parties, the "Accord in the Name of Russia" movement, development of a concept to restore the Soviet Union, and the September Congress of USSR Nations, which should be linked to the establishment of cells to support the union.

In particular, a special debate in the State Duma was devoted to relations with Belarus. The conclusion was unequivocal. The majority believes that our rapprochement is necessary by any means.

[Bakhir] *Can one presume that the tide of stormy events (the State Committee for Emergency Situation [GKChP], the October events) came to nothing?*

[Lukyanov] If the tide had succumbed, there would not have been political amnesty. The cause of the GKChP is being continued; the trial of Varennikov has just begun. Each one of us is interested in defending our comrade, and we intend to reveal what we have not been able to reveal before. Now, it is completely clear that there was no coup, no blockade of Gorbachev's dacha, and so on. Regarding the October events, I think that was the authorities' greatest provocation. The defenders of the Constitution simply lacked political restraint.

[Bakhir] *Do you not think that the main reason behind these events was the rejection of a class analysis of the situation?*

[Lukyanov] A class analysis is now more important than ever before. The Russian Communist Party has not abandoned it. There are people, however, who believe that forceful methods should be applied now, based on class positions. But, there is no revolutionary situation... I sometimes have the impression that this is the age-old disease of "leftism" among communists.

[Bakhir] *What do you think is the weakness of the patriotic (communist) movements in the republics?*

[Lukyanov] It is their disunity, the ambitions of leaders, the lack of a real revolutionary situation, and speculations with patriotic movements by such populist activists as Zhirinovskiy....

Army Official Views Arms Trade Markets, Products

WS2906131794 Minsk SEM DNEY in Russian 25 Jun 94 p 3

[Interview with Alyaksandr Tushynski, Belarusian first deputy defense minister, by Irina Kovaleva; place and date not given: "A Weapon Even in Africa Is Still a Weapon"]

[Text] Belarus' profits from the sale of military equipment and weapons amounted to $20 million last year. Payments for Russian energy sources consumed 30 percent of those revenues. A SEM DNEY correspondent has interviewed Alyaksandr Tushynski, first deputy defense minister of Belarus.

[Tushynski] First of all, I must make it clear that the Defense Ministry does not deal with the arms trade. According to the government's resolution, only three firms are allowed to conduct this kind of business. They look for partners and coordinate prices. Then, they submit a contract to our ministry, and if the products are included on an appropriate list, the Defense Ministry gives the go-ahead for the sale. Our responsibility is to prepare the equipment for sale.

Anticipating your question, I will tell about the moral aspect of the arms trade. Many states do that. We are used to emulating the United States. So, the United States is currently holding the lead in the world's arms trade. Russia's defense industry has practically been dislodged from the former USSR's markets. Over the last five years, its exports have decreased five-fold, and they now amount to only $2 billion.

[Kovaleva] Apparently, the Army is experiencing hard times, if servicemen have had to get involved in trade.

[Tushynski] Exactly. Only 50 percent of money, which is essential to maintain the Army, was allotted for this year. Out of this sum, one must allocate funds necessary to dismantle conventional weapons in accordance with our international commitments. We plan to raise the remaining funds through commercial activities. Why should the Army keep its surplus weapons? We must sell them in time. No one will buy them in five years, and they will have to be scrapped. If we stopped trading, what would happen with the staff of the Test Range Equipment Plant, whose production is sold in Russia? There are many other enterprises that only profit from the sale of military equipment and weapons.

[Kovaleva] The Defense Ministry is suspected of selling weapons to "hot spots." Are these suspicions substantiated?

[Tushynski] I can certainly state that we deliver weapons only to countries which are not embargoed. You probably have in mind Alyaksandr Lukashenka's statement indicating that we have sold weapons to Croatia. This statement is groundless. All decisions concerning deliveries of weapons are made collectively at the governmental level, and they are coordinated with the Foreign Ministry, which has a list of states to which arms deliveries are allowed. There is a system of strict control, providing responsibility of all—the KGB, the Interior Ministry, the Customs Committee, and the Defense Ministry. Moreover, an inspection conducted by competent bodies has revealed that all contracts were legal, and that they include certificates listing the final users. Still, if the military equipment has ultimately been resold, this weighs on the buyer's conscience.

[Kovaleva] Russia is unable to conquer foreign markets. Can Belarus do that?

[Tushynski] Many of our enterprises are already exporting their products. This is excellent equipment, and therefore, there is a huge demand for it. However, we must compete for markets. I will provide an example. Russia announced that it would deliver rocket technology and equipment to India. The United States did not wait: Sanctions were imposed on India, and the contract was not concluded.

[Kovaleva] What does Belarus sell, and for what products is there the greatest demand?

[Tushynski] To Russia, we sell products from the Test Range Equipment Plant, to Africa, South America, and other regions—optical equipment produced by the BelOMO company, night vision equipment from Rogachev, tractors from Minsk... We plan to expand our markets. After all, during the Soviet Union, 360 people worked in the trade mission in India alone, moreover, two thirds of them dealt with arms deliveries.

Moldova

'Special State of Affairs' Extended in Dniester

LD3006054794 Moscow ITAR-TASS World Service in Russian 0027 GMT 30 Jun 94

[By ITAR-TASS freelance correspondent Anatoliy Khologyuk]

[Text] Tiraspol, 30 Jun (TASS)—The special state of affairs in the Dniester republic has been extended from 1 July through 31 August this year. This was made public in a decree by Dniester President Igor Smirnov which was broadcast on Dniester republic radio on Wednesday [29 June] evening. The main motives for extending the special state of affairs, it states in the decree, are to help the militia wage the organized struggle against crime and to preserve the state system of the Dniester-Moldovan republic.

Ivan Fuchidzhi, acting minister of internal affairs of the Dniester republic, was in favor of the special state of affairs being extended in the region. He reported to the ITAR-TASS correspondent that the special state of affairs will help the militia bodies to purposefully wage the organized struggle against crime in the region that has been stepped up of late both in Tiraspol and other regions.

Kyrgyzstan

Central Asian Summit Rescheduled to 8 Jul

LD3006092294 Moscow ITAR-TASS World Service in Russian 0835 GMT 30 Jun 94

[By ITAR-TASS correspondent Boris Maynayev]

[Text] Bishkek, 30 Jun—Problems of setting up a functional economic union were to have been discussed tomorrow in Chimkent by the leaders of Uzbekistan, Kazakhstan, and Kirgizia [Kyrgyzstan]. However, an ITAR-TASS correspondent has learned from reliable sources that the meeting has been postponed to 8 July.

The Chimkent meeting was planning to discuss setting up working bodies to run an economic union of the three republics, including an executive committee on deepening economic integration. The heads of Kazakhstan, Uzbekistan, and Kirgizia also intend to discuss problems relating to curtailing the emigration of Russian-speaking residents in these Central Asian republics.

Military Exercises to Begin 1 Jul; Army Reform Needed

LD2906133394 Bishkek KYRGYZKABAR in Russian 1050 GMT 29 Jun 94

[Text] Bishkek, 29 Jun (KYRGYZKABAR)—Military exercises on combat readiness will begin in the Republic 1 July, according to the press service of the republic's Defense Ministry. The aim of the exercises is to hold command and staff training in the Republic's Army. It should be added that the government's resolution on the progress of the armed forces reform was published in the local press today. The resolution notes that the military units have not sufficiently mastered combat in the mountains and that different kinds of armed forces do not interact well. The storage of armaments also has problems. The government suggested that the Defense Ministry should elaborate a program of state measures on strengthening defense, implementation of the reform of the armed forces in the coming two years and retaining officers in the army, and sumbit this program for the government's consideration.

Akayev on Slow Pace of Winter Preparations

LD2906175594 Moscow INTERFAX in English 1438 GMT 29 Jun 94

[From the "Presidential Bulletin" feature]

[Text] President Akayev on Tuesday [28 June] held a full government meeting to discuss what could be done to straighten out the country's fuel and energy complex and prepare the economy for next autumn and winter season. Heads of ministries and departments and regional administrators were also involved.

Akayev described as hard the situation emerging in the fuel and energy complex saying that nothing was being done to start preparations for the coming winter. He said the country "will find itself in a position worse than last year" unless drastic measures were taken soon.

Akayev called to step up coal production and work out a strategy for the development of the sector including marketing opportunities at home and in Central Asia. He backed up a proposal to allocate DM 10 million for a coal briquetting project expressing confidence about the development prospects of the coal industry.

However, many speakers called for a 40 million soms worth of fuel subsidies arguing that most of the ordinary consumers would not be able to buy fuel because of high coal prices and transport costs. The president instructed the government to allocate 14 million soms to this end, with the remainder to be raised by local administrators. IF Note: Kyrgyzstan is expected to produce 1.5 million tonnes of coal this year, one million tonnes less than it needs. Kazakhstan has now agreed to deliver the required amount and agreement was reached on imports of one billion cu meters of gas from neighboring Uzbekistan.

As a matter of urgency, Akayev called for the national economy to be transferred to electricity proposing that the government raise 27 million soms to complete two large hydro-electric stations at Shamaldy-Sai and Tash-Kumyr. The cabinet was also instructed to raise funds for imports of large capacity transformer equipment. Akayev approved a recent deal with Switzerland which will provide a $10 million credit to put up three high capacity transformer substations in the country. (Kyrgyzstan whose annual electricity needs run at 10 billion kWh produces 12 billion kWh. Talks are in progress to export extra electricity to Kazakhstan—IF).

Akayev said everything must be done to implement the energy-saving program which can help the republic save up to one third of the total electricity produced. He also called for a review of the country's energy development concept taking into account the energy situation in neighboring states.

Akayev proposed that an integrated research must be conducted into the sources of power generation with costly fossil fuels to be replaced by unconventional sources for electricity generation.

He warned that each official would be held responsible for the preparation of the country's economy for the coming winter.

Tajikistan

No Cease-Fire Reached at Tehran Talks

PM2906104794 Moscow IZVESTIYA in Russian 29 Jun 94 p 3

[Report by Boris Vinogradov: "Tajiks Talking Different Languages in Tehran"]

[Text] The second round of inter-Tajik dialogue, held in Tehran, has ended in failure. Its participants left the Iranian capital without having found a common language on a single question.

The UN secretary general's special envoy—the Uruguayan, Ramiro Piriz-Ballon—was forced to admit that his wards have become even greater enemies, despite all efforts on the part of the mediators. The impression that this had been a dialogue of the deaf, is noted by the Iranian newspaper the TEHRAN TIMES. Without even mentioning the problems of a future state structure and reconciling the nation, they could not even agree on a cease-fire for the period while they are negotiating.

What is more, for the entire 10 day period while the Tehran Round was in progress, explosions thundered and sabotage operations were carried out in Dushanbe and in the region of the Tajik-Afghan border. Many observers directly link the upsurge in terrorist activity in Tajikistan with the course of the talks. This very same view is maintained in the staffs of the Russian Border Troops and the peacemaking forces' collectives in Dushanbe.

Akbar Turajonzoda, one of the leaders of the opposition and co-chairman of the Islamic Renaissance Movement, declared that "the real Tajik opposition" has nothing to do with the terrorist acts and murders. He described Russia as the main guarantor of security, regretting that it is being dragged into a "quagmire of civil war." The Kazi-kolon [as transliterated] (the Islamic spiritual mentor) is issuing assurances that his group has the powers to represent all opposition forces acting against Emomali Rakhmonov.

At the same time, he admitted that ideological and organizational diversity and claims by other leaders to a more prominent place within the leadership, constitute an obstacle on the road to success. Turajonzoda disowned guerrillas making a living out of trading in weaponry and narcotics.

As in Moscow a couple of months ago, the Tajiks wasted a lot of time on a discussion of procedural issues. The opposition forces rejected the government delegation's idea of starting to disarm the combat formations. Instead they proposed removing weapons from all participants in the conflict, including the Army, the Ministry of Internal Affairs, and the Security Ministry in Dushanbe, and to conduct this operation under the supervision of the United Nations, the CSCE, Russia, Iraq, Afghanistan, and Kazakhstan. And to tansfer functions for safeguarding security to Russian troops on condition that the "officer staff is replaced in full."

As we were told by the Ministry of Foreign Affairs, the option of becoming chief gendarme in Tajikistan does not excite Russia, as the latter sees its role in furthering a settlement via political means.

The Tajiks's third attempt will be made in Islamabad in one month's time. On this occasion, UN experts warn, they will not succeed in leaving the negotiating table without signed agreements. Otherwise, the question of sanctions will be raised.

Talks Representative on Release of Prisoners

LD2806211294 Tehran IRIB Television First Program Network in Persian 1630 GMT 28 Jun 94

[Excerpts] [Correspondent] We are speaking with Mr. Shukurjon Zuhurov, representative of Tajikistan. Mr. Zuhurov, representatives of the opposition groups have stated that simultaneously with a ceasefire a nationwide amnesty ought to be declared. However, the representatives of the state of Tajikistan were against this proposal. What was the reason for this opposition?

[Zuhurov, heard briefly speaking in Tajik, fading into Persian translation] The reason for this is as follows: We fully agree with this condition. However, we said that we need time so that we can return to our country and approach the related bodies to look into the cases of those against whom criminal proceedings have been issued and to release them from prison over a period of time. A document must be formulated and a law must be adopted for this. This will require five to 10 days, or two to three weeks.

Russian Guards Return Fire From Afghan Territory

LD2906105794 Moscow ITAR-TASS World Service in Russian 0934 GMT 29 Jun 94

[By ITAR-TASS correspondent Galina Gridneva]

[Text] Dushanbe, 29 Jun—At about 2300 on Tuesday a border detail in the sector of the 12th border outpost of the Moscow border detachment was subjected to intense shelling.

The Russian border guards returned fire and neutralized the firing points. There were no casualties among the Russian border guards. An ITAR-TASS correspondent found this out from informed military sources in Dushanbe. This is already the third case this week of firing on Russian border guard detachments and border posts from Afghan territory.

Compromise Reached Over Humanitarian Aid for Pamir

LD2906211894 Moscow ITAR-TASS World Service in Russian 1305 GMT 29 Jun 94

[By ITAR-TASS correspondent Galina Gridneva]

[Text] Dushanbe, 29 Jun—The convoy of trucks carrying humanitarian cargo for the inhabitants of the Pamirs successfully surmounted the Khabu-Rabot mountain pass today and moved on toward Khorog, the administrative center of the Gorno-Badakhshan autonomous oblast of Tajikistan. An ITAR-TASS correspondent has learned from informed sources in the oblast administration that the units of the Collective Peace-keeping Forces

(CPF) deployed in Tajikistan have remained on the far side of the pass. The protection of the convoy and the safety of the drivers was undertaken by units of the mountain rifle battalion of the republic's Ministry of Defense which is manned by young people from the Pamirs and also by self-defense units of Gorno-Badakhshan oblast.

This agreement was reached during talks between representatives of the CPF command, local authorities of Gorno-Badakhshan oblast, representatives of the coalition council of democratic forces, and some field commanders of self-defense units. In the opinion of Ulfat-khanum, one of the representatives of the coalition council of the autonomous region, the initial decision by the CPF command to accompany the humanitarian cargo across the territory of the oblast right to Khorog aroused serious concern among the public of the Pamirs. They thought there might be provocations from individual forces interested in destabilizing the situation in the Pamirs. Ulfat-khanum stressed that this concern had been conveyed to the CPF command and also to the representative of the UN mission in the oblast centre of Khorog and, as a result, a sensible compromise had been reached.

It is expected that the convoy of trucks carrying foodstuffs will arrive in Khorog by this evening. The aid is very timely aince the population of Gorno-Badakhshan autonomous oblast is on the verge of starvation. Food reserves are virtually exhausted. The only bakery in the administrative center has been out of action for several days because there is no flour.

Aid Convoy Reaches Badakhshan

LD3006100294 Dushanbe Radio Tajikistan Network in Tajik 0500 GMT 30 Jun 94

[Text] A large truck convoy carrying food arrived in Badakhshan Autonomous Oblast yesterday. The convoy was carrying essential goods, including 210 tonnes of flour. The Khorog city bakery, which had been unable to work for nearly a week, resumed bread production. The convoy also brought [word indistinct], fuel oil, other foodstuffs, and industrial goods.

The convoy was escorted by troops to the western approaches of Pamir. It was not felt necessary for the troops to escort the convoy in the territory of Badakhshan Autonomous Oblast. The tanks and armored vehicles accompanying the convoy form Dushanbe stopped at the Saghirdasht Pass. The convoy reached its destination without any hindrance.

Opposition Figure Interviewed

LD2906202094 Moscow INTERFAX in English 1756 GMT 29 Jun 94

[From "Exclusive" report No. 26 of 29 June]

[Text] **WE WILL BE BUILDING SECULAR DEMOCRATIC STATE, TAJIK OPPOSITION LEADER**

The second round of the inter-Tajik talks finished in Tehran. It brought no peace to the country. The conflict is still going on. However, experts believe that negotiations will also continue. The Tajik opposition was represented by one of its leaders, Co-Chairman of the Movement for Islamic Rebirth of Tajikistan, 40-year old Akbar Turajonzoda. He graduated from the Bukhar Religious Institute (Medrese), the Islamic Institute in Tashkent and the Shariah faculty of the Jordan University. During 1989-1992 he was Kazikalon (head of all Muslims) of Tajikistan. An INTERFAX correspondent Andrey Zharov is speaking to him.

INTERFAX: First of all, it is interesting to know how would you assess the talks and their results?

TURAJONZODA: The beginning of the talks itself proves that the international community recognized the opposition as a reality. It has realized that not only the Dushanbe regime represented the Tajik people. In fact, this means that the authorities in Dushanbe regard us as a real political and military force defending interests of a significant part of Tajik citizens. A half a year ago Dushanbe was calling us criminals with "hands in blood." Now Dushanbe understood that the situation in Tajikistan could not be settled without participation of the opposition. It encourages that we have found certain understanding on the part of Russia. The Russian leadership also realized that the situation in the republic and in the region could not be stabilized without a dialogue with the opposition.

INTERFAX: With who of high-ranking Russian officials did you meet?

TURAJONZODA: I met Russian Deputy Foreign Minister Albert Chernyshov. We also met a deputy commander-in-chief of the border defense troops and a deputy defense minister.

INTERFAX: How would you assess the role which Uzbekistan is playing in the Tajik conflict?

TURAJONZODA: There are many facts proving that the Uzbek leadership helped the present Tajik authorities come to power by military means. When we took prisoners some militants of the People's Front, they often said that they had been armed and supplied with money by Uzbek representatives. Some units were formed in the Surkhan-Daryin Region (Uzbekistan).

Before militants were brought to Tajikistan they had a meeting with the Uzbek interior minister and the deputy defense minister. We know these facts rather well. These formations brought the current regime in Dushanbe to power.

INTERFAX: You are blamed for attempts to set up a pro-Iranian Islamic regime in the republic. Is this right?

TURAJONZODA: I never spoke about this either in my statement or in my articles. On the contrary, I have been repeatedly stressing that we will be building a secular democratic state. The opposition already abolished the

Party of Islamic Rebirth. The Movement for Islamic Rebirth of Tajikistan was created instead of it. Most leaders of the movement are democrats and not the so-called Islamists. As a believer and a religious activist I would like to live in conformity with my principles and Islamic traditions. However, I am a realist.

Our people have gone thorough the long-lasting communist rule. Islam cannot be imposed. The religion of Muslims does not make anybody leave in conformity with its ideology and customs. The communist rule showed that people cannot be forced to adhere to certain ideology.

Communists had used radio, television and other media, were bringing up people as Marxists starting from nursery schools. Still they failed to kill the faith. How can we repeat this mistake by imposing our ideology?

However, if the people itself wants to bring some of the country's laws in conformity with Islamic traditions through elections or a referendum, this is quite possible. However, it must be realized that nothing new could be invented in the economy.

Natural difference exists between the culture, traditions and vision in various countries. That is why I believe that such issues as marriage, divorce, division of property, etc. Can be brought to conformity with Islamic traditions but only by a civilized way and when the people itself wants this.

This could also be done through the parliament. However, I am categorically against religious rule in the country. We are moving towards the 21st century and we cannot go back to a theocratic state. We will not force women to cover their face.

INTERFAX: How does the opposition see the future of Tajikistan?

TURAJONZODA: The opposition proposes to create an interim government in which neither the present leadership nor we would take part. Those who are not guilty of stirring up the fratricidal war must come to power. During two years refugees will return. Political parties, including Communists and those participating in the current regime will be acting freely. The media must also be free.

Under the mediation of the UN and monitors from other countries a new constitution will be created which will say that Tajikistan is a secular democratic country where religion is separated from the state and which recognizes the right for private property. The Fundamental Law will also include provisions on democratic liberties.

The constitution must say that no political regime will have the right to change it during the next 30 or 50 years, neither we nor any other party which may come to power. Nobody will have the right to build the state basing on other principles, I told Chernyshov. We regret that Russians are frightening themselves with a scarecrow of Islamic fundamentalism.

INTERFAX: How do you think the talks between the Tajik leadership and the opposition can be sped up?

TURAJONZODA: The delegations must be of a high level so that the talks be not delayed. Now, to tell the truth, the Dushanbe delegation includes no representatives of the regions from which the people in power have come.

The leaders of the present regime have all come from one region - Kulyab. This includes E.Rakhmonov (the Chairman of the Supreme Soviet), A.Dostiyev (his deputy), the interior minister, the security minister, the minister for foreign economic relations, the health minister, the deputies defense minister and all regional heads. Even in Khojent (former Leninabad - the Motherland of Turajonzoda) the prosecutor general is from Kulyab. People from Kulyab have all political, power and, as they say, beneficial, posts. However, none of them is in the official delegation.

There is a way to make Dushanbe be more active during the talks - military pressure, I told Chernyshov. However, most politicians do not want to see the obvious until there is a bloodshed.

In particular, the Russian Foreign Ministry's Envoy A.Orlov affirmed that the situation is calm in Dushanbe and that the government is controlling the situation. Probably, we have to display our military force to change this deceitful image.

Many people do not believe us thinking that the government is really controlling the situation. However, it is quite clear that Dushanbe agreed to negotiate ceding to Moscow's pressure. The present regime needs no talks. Russian troops are defending the borders. Russia supplies Tajikistan with cash money and food products. Why will the current leaders resign? The problem is a heavy burden for Russia and Russian citizens are killed in Tajikistan as a result.

INTERFAX: What is the attitude of your movement towards Russia given presence of Russian forces in your country?

TURAJONZODA: The Movement of Islamic Rebirth of Tajikistan does not oppose good relations between Russia and our country. We propose an honest variant - appointment of a temporary government - and are ready to consider candidacy of every member of the Cabinet together with Moscow and other interested states. I think that the security bodies have dossiers for every of the possible candidates and Moscow can easily learn everything about anyone of them.

We are not Russia's adversaries and recognize its geopolitical interests in Tajikistan. Our Movement is well aware of the fact that none of the states of the world can substitute Russia in the republic. We have no such close relations with any other state, our economy and infrastructures are "interrelated" with the Russian Federation.

There are forces in the world which are interested in the development of this conflict. Unfortunately Russia is being more and more involved into the war, and this results in the appearance of national enmity. In addition, the Russian Federation is forced to spend great funds and forces in Tajikistan thus distracting from other important problems.

Several countries will assist us in waging this war not because of their love with respect to us but in order to weaken Russia. It became especially obvious after the victory of Zhirinovsky's party at the elections to the State Duma. He openly declared about his intention to restore the Russian empire and about his plans to seize territories from Constantinople to Tehran. Many people in this regions are greatly concerned over these statements and they are ready to support us. We spoke about this with Mr A.Chernyshev. I believe that our task is to bring this information to Russia's people and Russian politicians are to adopt their decision.

INTERFAX: Several terroristic acts against Russian servicemen both in the capital and other cities have been registered over the last period in Tajikistan. Has the Movement something to do with these acts?

TURAJONZODA: I assert that the Movement for Islamic Rebirth has not planned any acts with respect to Russian citizens and Russian servicemen, especially in populated centers. We still believe that Russia is the major guarantor of security and integrity of our state and our ally.

I think that these terroristic acts have been accomplished by those forces which want to deeper involve Russia into the mire of the Tajik war, to force it to increase its military presence, and to encounter great expenditures. In fact, this reminds the events which happened with the Russian army in Afghanistan when it was bogged down in the armed struggle with the opposition. We do not want this. Those circles which do not want to completely settle the Tajik conflict by political means strive for this variant. I hope that Russian politicians have enough sound sense to understand who stands behind these terroristic acts.

In addition, as far as the recent shelling of the bus with Russian frontier guards is concerned I can say that if our people had shot from mortars they would not have missed this target. I assure you. The attackers probably wanted to frighten Russians and to aggravate the tension.

INTERFAX: I'd like to return to the subject on negotiations and I'd like to know what was discussed at the second round of the negotiations in Tehran?

TURAJONZODA: We were talking only about temporary cease-fire for the period of negotiations and have not started consideration of the agenda yet. We have determined that ceasefire should be kept at least till October 1 but we have failed to adopt any final decision and have not signed any document.

INTERFAX: Do you hope that this agreement will be reached?

TURAJONZODA: If we did not hope we did not spend time for negotiations and deceived our people. We have hope but we have no conviction.

The delegation from Dushanbe asserts that it strives for a cease- fire agreement but it does not want to include the word "temporary" into the document. We believe that such agreements on cease-fire are senseless if they do not lead to a final political settlement of the problem.

During the first round of the negotiations in Moscow our delegation proposed to sign an agreement on a temporary mutual cease-fire under observance of certain confidence measures in order to make the negotiations process normal. However, the other side set forth quite unacceptable conditions. Rejecting temporary nature of the agreement, the Dushanbe delegation believes that cease-fire should be observed only by the opposition and only on the state border. As for us, we want to develop a serious document which will be in force throughout the whole territory of the republic but not only within the border zone.

In addition, our party persists in creation of a control mechanism to observe this agreement with the involvement of the UN supervisors and introduction of checking posts in hot-spots within the republic as well. We believe that re-deployment of Dushanbe's armed forces and Russian forces should be banned for this period. The main thing is to mutually observe the cease-fire regime.

INTERFAX: There are many refugees from Tajikistan in Russia and other CIS countries. What is your assessment of this situation?.

TURAJONZODA: The Tajik refugees in the Russian Federation receive practically no aid. And they do not need it. It's quite enough for those Tajiks who live in Moscow and other regions of Russia that nobody makes them return to Tajikistan by force. For example, over the last time the Moscow militia captured refugees and forwarded them to their homeland by train. Can we solve this problem in such a way?

These people will not be able to live in Tajikistan, a civil war is being waged there, there are no working places for them and there are many economic difficulties. A forced expulsion of refugees from Russia arouses a negative attitude towards Russians as well as among Afghans especially after the USSR army was waging a war against them for ten years.

Sometimes refugees just have no money in order to buy food products and clothes. Their houses have been damaged or seized by other people. Men are forced to go to Afghanistan and to export contraband, drugs and weapons, in order to sell them. They are forced to join various combat formations in order to earn some money.

Armenia

Karabakh Says Turkish Mediator Role Unacceptable

NC2906182794 Yerevan SNARK in English 1346 GMT 29 Jun 94

[Text] Stepanakert, June 29. (SNARK)—The Republic of Nagorno-Karabakh is anxious with the appeals of the Azerbaijani side to enlarge the range of active intermediaries in the process of the Karabakh-Azerbaijani conflict regulation owing to reinforcement of the Turkey's role.

The Karabakh Foreign Affairs Department told SNARK Turkey's attempts show the official Baku's intention to blockade the Russia's peace-keeping attempts to reach a deadlock in the peace-making process.

The Karabakh side for numerous times declared the unacceptability of the Turkey's intermediary instigating role which is of the pro-Azerbaijani character cannot be considered neutral.

IAEA Team Arrives To Study Nuclear Plant

LD2906204194 Moscow ITAR-TASS in English 1931 GMT 29 Jun 94

[By ITAR-TASS correspondent Tigran Liloyan]

[Text] Yerevan June 29 TASS—A team of international experts arrived on Wednesday in Yerevan to examine the Armenian nuclear power plant.

The team consists of representatives of the International Atomic Energy Agency (IAEA) who will examine the reactors, pipes, steam generators and other parts vital for the safety of the plant.

IAEA expert Eduard Saakov representing the research institute Rosenergoatom told ITAR-TASS that the team has a lot of work to do. He pointed out the high professional level of the plant's employees, which, he stressed, is crucial for its future operation. He also said that the IAEA experts have supported the plan of measures proposed by Armenian specialists to increase the safety of the plant.

He refrained from naming concrete dates when the plant can resume operation. Saakov stressed that this can occur only after the completion of work to increase its safety.

The head of the group, Bernard Gachot, noted that the IAEA does not provide financial support, but can facilitate the search for investors at the political level.

Armenian Prime Minister Vigen Chitechyan said the Armenian government expects to receive a report from the group in two weeks.

U.S. Embassy Search for English-Speaking Workers Derided

LD3006085494 Moscow ITAR-TASS in English 0837 GMT 30 Jun 94

["US Looks for Armenian Plumbers with BA's in English"—ITAR-TASS headline; by ITAR-TASS correspondent Tigran Liloyan]

[Text] Yerevan June 30 TASS—The United States Embassy in Armenia has placed ads in local newspapers with job offers for a plumber and an electrician who have an excellent knowledge of the English language. This, coming after other recent embassy advertisements for a car mechanic and several cleaning ladies who specialised in foreign languages. Such comic naivety on the Americans' part has given rise to lively commentaries in the local press.

The Yerevan newspaper "LRAGIR" can just picture some university student or graduate from a foreign language department devoting his or her youth to freeing the U.S. Embassy from unpleasant toilet odors in flawless English. Why not, muses the author, introduce some new courses in the foreign language faculties of the republic's institutions of higher education: English Plumbing 101, Basic English Slang for Drivers, Watchmen and Laborers in Shakespeare's Works.

The capital newspaper did not stop there. Why not begin intensive language courses in Chinese, Japanese, Spanish, and so on? For every language there should be at least one embassy, which, the paper concluded, would therefore be able to employ local language specialists looking for work as plumbers and cleaners. It just may be a solution for Armenia's college graduates searching for employment on the republic's difficult job market.

Cash Shortage Hindering MVD's Performance

PM2906134994 Moscow IZVESTIYA in Russian 28 Jun 94 p 2

[Report by Sergey Bablumyan: "Armenia Has No Money To Escort Prisoners"]

[Text] Yerevan—Eight highly dangerous criminals arrested outside of Armenia are once again at liberty—without going through the trial and investigation that would have awaited them in their native land. They did not even try to flee or bribe the guards. They were simply released to the four winds, since the Armenian Ministry of Internal Affairs [MVD] did not have the 33 million rubles needed to pay for the prisoners to be escorted to their place of permanent residence.

IZVESTIYA was told by Gayk Arutyunyan [name as transliterated], the republic's first deputy minister of internal affairs, that there were 1,364 criminals being sought at the start of the year, and, although this figure has fallen somewhat, the problem of finding them and bringing them back is still very acute. Everything

depends on the financial resources of the MVD, and these—according to Colonel Arutyunyan—are very limited.

Meanwhile, the republic's Finance Ministry has turned down the MVD's request to be allocated 3 billion drams, cutting the sum to 836 million. That kind of money will not make it very easy to do the job, the police department believes. Particularly when you consider that an ordinary policeman's salary in Armenia is equivalent to $1.80, and the extra pay for being a general is equivalent to just 10 cents. So the criminals can sleep easy for the time being. What cannot be cured has to be endured.

Azerbaijan

Mediator Says Nagorno-Karabakh Settlement Near

LD2906164994 Moscow INTERFAX in English 1515 GMT 29 Jun 94

[Text] Baku is much concerned over statements made by Armenian officials and representatives of the Armenian community in Nagorno-Karabakh alleging that Azerbaijan was preparing to launch an offensive, a senior official from the Azerbaijani president's office told INTERFAX. He said that such statements were a provocation and were aimed at torpedoing peace settlement of the Armenian-Azerbaijani conflict.

Russian president's envoy for talks on Nagorno-Karabakh Vladimir Kazimirov said that the basis of the political agreement on settlement of the Armenian-Azerbaijani conflict was practically ready. He said that currently compromising wordings were being coordinated which would satisfy the conflicting parties.

Kazimirov said that the ceasefire in the conflict zone lasting from May 12 created good opportunities for moving towards a final agreement and that this period should be efficiently used.

Kazimirov left Baku for Turkey where he will conduct political consultations with the senior officials of the Turkish Foreign Ministry.

Earlier, Azerbaijani President Geydar Aliyev considered participation of Turkey and Iran in the talks as a positive moment. Aliyev said that the present ceasefire must be used in order to speed up talks. However, Aliyev stressed that the conditions of Azerbaijan for a final political decision remained the same: the Armenian armed formations must be withdrawn from the occupied territories and Azerbaijani refugees must return to their home.

Claims of Azerbaijani Military Activity Denied

NC2906144294 Baku TURAN in English 1254 GMT 29 Jun 94

[Text] Baku, June 28 (TURAN)—Baku is deeply concerned about the statements repeatedly distributed by Armenians officials in Yerevan and Khankendi (Stepanakert), which report that "Azerbaijan prepares an offensive towards Nagorno-Karabakh", an employee of Azerbaijan's Presidential staff told TURAN.

"Such irresponsible statements do not allow to create favourable conditions for settlement of the Armenian-Azerbaijani conflict. Both parties to the conflict have to be responsible for their activities", reports the same source.

The Republic of Azerbaijan calls upon the Armenian authorities and the heads of Armenian community of Nagorno-Karabakh not to break the peace settlement process and not to destabilize the situation.

On June 25 ITAR-TASS referring to military leaders of Nagorno-Karabakh distributed a statement about Azerbaijan's preparations to a large-scale offensive.

Aliyev Arrives in Iran on Official Visit

LD2906161294 Moscow ITAR-TASS in English 1324 GMT 29 Jun 94

[By ITAR-TASS correspondent Oleg Kuzmin]

[Text] Tehran June 29 TASS—President of Azerbaijan Geydar Aliyev arrived in the Iranian capital Tehran on a four-day official visit today. At Tehran's Mehrabad airport, Aliyev told journalists that "Azerbaijan regards Iran as a powerful and influential neighbour, and is ready to develop cooperation with it in all spheres."

Aliyev said he will hold talks with Iranian President 'Ali Akbar- Rafsanjani and other Iranian leaders to discuss issues of regional and world policy as well as prospects for expanding bilateral relations between the two countries.

Receiving Aliyev, Hashemi-Rafsanjani emphasised the historical, religious and ethnic closeness of the two people. The Iranian head of state noted that many accords, which were achieved during the Iranian president's visit to Baku last year, are in the stage of implementation, and the remaining will require some time to be put into life. The Iranian president also expressed concern over the unabated bloodshed in the Trans-Caucasus region.

No Agreement Reached With Russia on Radar Station

NC2906190094 Baku TURAN in English 1658 GMT 29 Jun 94

[Text] Baku, June 29, (TURAN)—"The usage of Gabala Radio-Locating Station and other military objects situated on Azerbaijan's territory is possible if they are not harmful to ecology, economy and interests of the republic", reads the statement distributed by the members of political parties and public organizations of Azerbaijan yesterday.

The results of the Commission of the Milli Mejlis for Gabala Radio-Locating Station were read out in the headquarters of Musavat party on Saturday.

The Commission stated that the station radiates high-frequency electric magnetic waves, which are very harmful for flora, fauna and population of the region.

In accordance with the Presidential Decree from December 16, 1991 and the resolution of the Milli Mejlis from April 8, 1992, all military objects on the territory of Azerbaijan have been nationalized. However, the Gabala Radio-Locating Station is still runned by Russian servicemen. Azerbaijan and Russia have not reached an agreement concerning this issue.

An employee of Russian Embassy in Azerbaijan, Colonel Vladimir Pavlenko, mentioned that few are the stations in the world like the Gabala Radio-Locating Station, which work in automatic regime. According to Pavlenko, the station is able to follow the space objects within the distance of 10,000 kilometres. The Gabala RadioLocating Station is of strategic importance in the system of anti-air defense.

Pavlenko said that the Radio-Locating Station has resources for 20-25 upcoming years. "The station is not harmful for fauna, flora and the population, on the contrary, it can be very useful", said Vladimir Pavlenko.

An employee of the State Committee for ecology, Fikret Jafarov, however, said that the station works in a freezing regime. "It is a common knowledge that this regime is used with highfrequency electric magnetic waves, which are very harmful", said Jafarov.

Georgia

Abkhaz Parliament Concerned With Refugee Movements

LD2906202494 Moscow INTERFAX in English 1852 GMT 29 Jun 94

[Text] The Abkhaz Supreme Soviet has expressed its extreme concern over the developments in the area of peacekeeping activities. A statement issued in Sukhumi Wednesday said that mass trespassing on the part of refugees from the Georgian side had started, and their number now exceeded 10,000. Among persons returning to Abkhazia, there are members of Georgian armed formations, the authors of the document maintain.

The Abkhaz parliament is also concerned over peacekeepers' activities in the conflict area. Cases were cited when the military interfered with matters of local administrations. The peacekeeping forces have no control over the flow of refugees, the statement points out.

The parliament requested the U.N. and the Russian government take measures to unconditionally fulfill all agreements on the peace settlement of the Georgian-Abkhaz conflict already achieved. Otherwise, the settlement process may be torpedoed and war will break out again, according to the document.

Abkhaz Speaker Vladislav Ardzinba sent an address to the leaders of the U.N. military observers in Sukhumi and the Russian peacekeepers' command demanding the Georgian armed formations still remaining in the Kodor Gorge be immediately withdrawn.

Patsatsia Denies Refugees Arriving in Gali Region

LD2906202594 Moscow INTERFAX in English 1758 GMT 29 Jun 94

[Text] The Georgian Prime-Minister Otar Patsatsia has categorically denied Abkhaz reports about the beginning of the mass uncontrolled arrival of Georgian refugees in the Gali region. At a meeting with the local administration and law enforcement officers in Zugdidi on Wednesday he said false reports are spread to undermine the normal return of refugees.

The prime-minister said that the most important stage after the appearance of peace-keeping forces in the security zone is the return of refugees. Any obstacles to the process should be removed. Everything is going to be done in keeping with the four-sided agreements.

Patsatsia Meets With Peacekeeping Commanders

LD2906211994 Tbilisi Radio Tbilisi Network in Georgian 1800 GMT 29 Jun 94

[Excerpts] The information center reporting on the all-round settlement of the Abkhazian conflict reports from Zugdidi that Georgian Prime Minister Otar Patsatsia and Jaba Ioseliani, chairman of the interim Committee for Emergency Situations, arrived in Zugdidi today. [passage omitted]

A meeting took place with representatives of the command staff of the peacekeeping forces. A number of important issues were discussed. It was pointed out that the motor bridge over the Inguri River is practically restored. Checkpoints were established at both ends of the bridge and the important location is under complete control of the peacekeeping forces.

The Enguri hydroelectric power station and its security and operation were seriously considered. The station as well as other important objects are guarded by units of peacekeeping forces stationed in the area. Thus, the Abkhaz side has no formal reasons to limit power supplies. A common opinion was voiced on ways to prevent the Abkhaz side from resorting to such actions. This is expected to happen in the near future.

As for security in the zone, the representatives of the peacekeeping forces said that the number of observation points and checkpoints established there ensures security. It was also mentioned that there is a greater number of checkpoints in Gali Rayon.

The Georgian side voiced several considerations, namely, the failure to make an official decision on the participation of all sides in manning the checkpoints. Because of the Abkhazian side's opposition, representatives of the Georgian side have not been involved in the operation of the Sukhumi territorial headquarters of peacekeeping forces. [passage omitted]

Russian Troops Continue To Clear Mines

LD2906123894 Moscow INTERFAX in English 1015 GMT 29 Jun 94

[Text] There has been no serious incidents in the 24-kilometer security zone along the Inguri River along the disengagement line of the Georgian and Abkhazian formations which is under control of the Russian peace-keeping forces. At the same time the press center of the Group of Russian forces in Transcaucasia reported to INTERFAX Wednesday that about 16:00 on Tuesday about 15 armed people tried to stop a truck with peace-keepers in Georgia's Zugdidi Region. After preventive fire the bandits escaped to the forest.

The territory along the left bank of the Inguri River is being cleaned of mines. Combat engineers have neutralized about 150 anti- tank mines. In their words, the works on the restoration of the central automobile bridges via the Inguri River have been almost completed. The traffic along this bridge is supposed to be opened on Wednesday.

On Tuesday Georgia's Vice Premier Tamaz Nadareishvili came to Zugdidi where the temporary state center on refugees is deployed (Nadareishvili is its chairman). He reported to INTERFAX that the lists of those refugees who are to return to Abkhazia's Gali Region during the first stage have been already compiled. There are about 2,000 people among them. "It is difficult to say concretely how long the process of the refugees' return will last," Nadareishvili noted. In his words, the Abkhazian party tries to prolong this process for years. "Under this situation international organizations and Russia which are mediators in the settlement process should say their word in order to prevent another armed confrontation," Nadareishvili declared.

Abkhaz Leader Demands Withdrawal of Georgian Forces

LD2906181894 Moscow ITAR-TASS in English 1601 GMT 29 Jun 94

[By ITAR-TASS correspondent Sergey Ostanin]

[Text] Moscow June 29 TASS—Georgian troops must be pulled out from Abkhazia's Kodor Gorge back to Georgia, Abkhazian leader Vladislav Ardzinba said.

The announcement was made during Ardzinba's meeting with the head of the U.N. mission in Abkhazia and the commander of the Russian peace-keeping troops in the region on Wednesday, the Abkhazian parliament press service said.

Ardzinba expressed the hope that his message will get across to the Georgian military chiefs in Tbilisi.

According to earlier arrangements, the Georgian troops are supposed to leave the gorge by July 30.

Abkhazia Reports Renewed Fighting in Kodor Gorge

LD2906114494 Moscow ITAR-TASS in English 1043 GMT 29 Jun 94

[By ITAR-TASS correspondent Sergey Ostanin]

[Text] Moscow June 29 TASS—Abkhazia accused Georgia of resuming artillery shelling in the Kodor Gorge on Wednesday morning and said its forces fired back. Shootings continued in the afternoon, TASS was told by telephone by Izida Chanin, a spokeswoman of the Abkhazian Information Ministry.

Russian peace-keeping forces in Abkhazia were not immediately available for comment.

Chanin accused the Russian troops in Abkhazia of allowing all refugees back without clarifying whether they had fought against Abkhazia in the recent conflict or not.

She said a large group of young Georgians was allowed to the Gali district of Abkhazia which triggered tensions among local residents.

According to the agreement on refugees, only those people who did not fight against Abkhazia or commit any crimes can be allowed to return home.

According to Chanin, Abkhazian women held a rally at the headquarters of Russian peace-keepers in Sukhumi protesting against uncontrolled return of refugees. "There is no room for murderers in Abkhazia", "The Abkhazian people are not ready to forgive the enemy", their slogans said.

In the meantime, a group of Georgians attempted to seize a mobile crane from Russian peace-keepers working in the Gali district of Abkhazia, but the incident was peacefully resolved.

Abkhaz Forces Launch Offensive

LD3006114194 Moscow Radio Rossii Network in Russian 1100 GMT 30 Jun 94

[Text] This morning Abkhaz formations opened up an intense artillery barrage against Georgian positions in Abkhazia's Kodor Gorge and then launched an offensive. INTERFAX was informed of this by the Georgian Defense Ministry's press center. According to Nodar Natadze, chairman of the Georgian parliament's commission on defense and national security, the Abkhaz side has been massing about 2,000 men in that area over the last two days.

Meanwhile, Russian Defense Minister Pavel Grachev, who is visiting the North Caucasus, has expressed concern at the situation in the zone of the Georgian-Abkhaz conflict. The minister did not rule out the possibility that he might go to Sukhumi on Friday if the situation warranted his intervention, as he put it.

Abkhaz Troops Accused of Violating Cease-Fire

LD3006103394 Tbilisi IBERIA in Georgian 1000 GMT 30 Jun 94

[Text] Tbilisi, 30 Jun (IBERIA)—An IBERIA correspondent was told at the Georgian Defense Ministry's press center that Abkhaz armed units bluntly violated the cease-fire agreement again at 0600 today. They opened fire on positions of Georgian volunteer units defending the Kodori Gorge, using howitzers and Grad rocket launchers. The Georgian side was forced to open retaliatory fire and put up active defense.

Firing was still going on at 1000 this morning.

Abkhazians Accuse Peacekeepers of Violating Accord

LD2906140794 Moscow INTERFAX in English 1221 GMT 29 Jun 94

[Text] The Abkhazian delegation in Moscow accused the Russian peace-keeping forces in the Georgian-Abkhazian war zone of violating the agreement on return of refugees.

According to the delegation, the peace-keeping troops led masses of Georgian refugees into Abkhazia while under the quadripartite agreement only those who committed no war or common crimes against Abkhazian citizens and did not fight against the Republic of Abkhazia had the right to return.

The delegation reported that protest rallies had been held in Sukhumi outside the government building and the headquarters of the peace-keeping forces.

It also said Georgian units deployed up the Kodor Canyon had resumed the shelling of Abkhazian positions at 10:40 Wednesday. The Abkhazian forces returned fire.

Talks on Abkhazia Rescheduled for 7-8 July

LD2906121294 Moscow ITAR-TASS in English 1134 GMT 29 Jun 94

[By ITAR-TASS correspondent Konstantin Pribytkov]

[Text] Geneva June 29 TASS—The next round of Georgian-Abkhazian talks scheduled to begin in Geneva on June 30 will take place in Sochi on July 7-8, an official representative of the U.N. European department, Teo Luar, told journalists on Wednesday. He gave no reasons why the next round of talks had been postponed, which similar to talks held earlier, was to have been conducted under the U.N. auspices and Russia's mediation.

It was earlier reported that the talks between the two warring sides in Geneva to discuss the future political status of Abkhazia had been scheduled on June 9, but then postponed for three weeks. Explaining the reason for the delay, a special representative of the U.N. secretary general, Eduard Brunner, told ITAR-TASS that it was acknowledged that it would be more expedient to continue the negotiating process after the deployment of CIS peace-keeping forces in the zone of the conflict—i.e. at the end of June.

Commenting on another unexpected delay, local observers voiced the opinion that Brunner had, apparently, decided to visit the zone of the confrontation before the talks begin in order to obtain full information about the deployment of troops and "first steps" taken in the framework of the peace-keeping operation.

Shevardnadze Takes Steps To Improve Privatization

AU3006103994 Tbilisi SAKARTVELOS RESPUBLIKA in Georgian 24 Jun 94 p 1

["Edict of the Georgian Head of State on Certain Questions Pertaining to the Management of the Privatization Process Regarding State Property in the Republic's Regions"]

[Text] With the aim of further improving the privatization process regarding state property in the republic's regions:

1. In accordance with the edict of the Georgian head of state of 11 April 1993, to create commissions with the participation of rayon (town) heads and employees of administrative and control bodies in order to study individual cases of the privatization of state property and facts of spontaneous privatization in the republic's towns and rayons.

2. Branch ministries and local administrative bodies are to resolve promptly and efficiently the question of the inclusion of individual facilities into the privatization list and present agreed proposals to the Ministry for the Management of State Property.

3. Local administrative bodies are to use economic methods to assist in the process of managing enterprises that have already been privatized and utilizing their industrial potential to the full.

4. In order to organize the distribution of vouchers, the compilation of lists of the republic's citizens is to be speeded up and presented in good time to the Ministry for the Management of State Property. The heads of towns and rayons along with the Ministry for the Management of State Property are to assume personal responsibility for this.

[Signed] E. Shevardnadze.

Foreign Minister, German Envoy Discuss Cooperation

LD2906180294 Tbilisi Radio Tbilisi Network in Georgian 1500 GMT 29 Jun 94

[Text] Georgian Foreign Minister Aleksandre Chikvaidze today met with Guenter Dalhoff, German ambassador extraordinary and plenipotentiary to Georgia. The two sides considered issues pertaining to the development of

bilateral relations, the current economic and crime situation in Georgia, and relations with Russia and other neighboring countries. Aleksandre Chikvaidze spoke about the situation in Abkhazia.

Answering the ambassador's question about developments in Georgia, Aleksandre Chikvaidze said that the situation is gradually improving but there still are a number of problems, namely in the economic sphere, impeding stability in the country. The ambassador has indicated that Germany has a favorable attitude toward Georgia. He has also voiced the hope that economic relations will further expand.

World Bank To Allot $10 Million Credit

LD2906190394 Tbilisi First Program Television Network in Georgian 1600 GMT 29 Jun 94

[Text] The CONTACT news agency has provided us with information supplied by the press service of the Georgian Cabinet of Ministers.

A Georgian delegation led by Deputy Premier Temur Basilia, invited by the IMF, visited the United States from 18 to 26 June. The aim of the visit was to hold negotiations just before an IMF board meeting about possible financial assistance for Georgia. Apart from this, the delegation had a meeting with representatives of the World Bank. It should be noted that the meetings were found to be fruitful and efficient. An agreement has been reached according to which drafting a Georgian aid program will begin in the second half of July. The program will stipulate the allocation of STF—systematic transformation means [as heard]—that is, credits.

Consultations with the World Bank have resulted in a decision to sign an agreement in Paris on 11 July on the allotment of an institutional construction credit of $10 million to Georgia. In addition, another project on the development of municipal utilities is being worked on.

Estonia

New 'Right-Wing' Faction Formed in Parliament

WS3006091994 Tallinn ETA in English 0653 GMT 30 Jun 94

[From 30 Jun RAHVA HAAL p 1; "News Bulletin" No. 124/94]

[Text] The Chairman of the Riigikogu [parliament] Culture Commission Sulev Alajde informed RAHVA HAAL that 8 MPs have formed a new faction, called "Right-wing". The faction will try to realise the "Fatherland" election programme that government has failed to do.

The faction consists of the MPs, formerly belonging to "Fatherland", who supported the vote of no-confidence to the Interior Minister Heiki Arike. The candidate for the faction's chairman is Karin Jaani and for the Vice-Chairman Enn Tarto.

Premier To 'Seriously Consider Resigning'

WS2906111394 Tallinn ETA in English 0652 GMT 29 Jun 94

[From 29 Jun POSTIMEES, PAEVALEHT, pp 3, 1; "News Bulletin" No. 123/94]

[Text] Prime Minister Mart Laar said yesterday that he can make a decision about resigning his office by August or September. "Estonian national game, changing the prime-minister, occurs after every three months in Estonia. Process which was started by the opposition has won ground and is threatening to throw Estonian society into crisis," says Mart Laar. The prime minister thinks that it is senseless to dissolve the parliament which has started to cooperate at last. The next elections will take place in March 1995.

"What happens now is hard to predict. One thing is sure, however. Parliament will be summoned in August instead of September 17 when the working time should officially begin and if the political tensions have not disappeared by then I will seriously consider resigning my office," promises Mart Laar.

Mart Laar confided that for most political powers his continuing as a prime minister would be very useful. It would be useful also for himself but according to his own words he is not going to hold on to his office by force.

Mart Laar is disappointed in politicians who during the faction's general meeting promised not to start dissolving "Fatherland" but are now doing exactly that. The reasons for conservatives' departure seem unnatural and a little stupid to Mart Laar. Mart Laar thinks transferring very natural for the politicians who try to find a suitable position before the next elections. He was not sure, however, if the departure of Conservatives and Republicans from "Fatherland" would guarantee them success at the elections.

Laar assured that the remaining nucleus of "Fatherland" will continue its actions and if necessary, then also in opposition.

Official Outlines Dismantlement of Paldiski Reactor

WS3006092294 Tallinn ETA in English 0653 GMT 30 Jun 94

[From 30 Jun RAHVA HAAL, p 4; "News Bulletin" No. 124/94]

[Text] The Government Representative in Paldiski Juri Tikk assured that the containers to take nuclear fuel away from Paldiski are on their way to Estonia. When the dismantling of the reactors begins remains a secret for now, however.

Admiral Aleksander Olkhovikov has assured that the dismantling of the nuclear reactors in Paldiski starts "at the right time or a little later". At the same time he has promised that the dismantling starts as soon as the political questions between Estonia and Russia have been solved and a contract concerning the construction signed. Both Russia and Estonia are technically ready for the dismantling to start.

The two nuclear reactors in Paldiski will be dismantled in three stages. First procedure will be removing the nuclear fuel and taking it away from Estonia. Secondly Russia will remove secret military objects from reactors. The third stage will cover the transport of reactors and radioactive waste to Russia. The process will last for three years.

The first period of dismantling should end by August 31 and the Russian side has not denied it. According to Tikk it takes 30 days to open the reactors and remove the nuclear fuel.

Minister for Foreign Affairs Juri Luik has predicted that the cost of the dismantling will be 10 million dollars and most of the money will come as foreign aid.

Latvia

Russian Official Condemns Citizenship Law

WS2906131994 Tallinn BNS in English 1146 GMT 29 Jun 94

[Text] Riga, June 29, BNS—"Latvia's passed citizenship law contradicts the European norms and the principles of democracy," Vladislav Tumanov, the Russian State Duma deputy, said on June 28 at the meeting of the European Council's Parliamentary Assembly (ECPA) in Strasbourg, the DIENA newspaper reporter to Strasbourg reports.

Tumanov said the Latvian citizenship law disregards human rights, the reasons and consequences of inhabitants' migration, and the law reflects the thesis "Latvia—

for Latvians." Tumanov noted that different standards cannot be tolerated in Europe, and the problem must be somehow solved.

Commenting Tumanov's statement, the ECPA president said that good news was received from Latvia, and that Latvian President Guntis Ulmanis did not sign the citizenship law but sent it back to the Saeima for repeated consideration asking the Saeima to observe recommendations of the experts of the Council of Europe.

The ECPA has not expressed a different viewpoint as to the Latvian citizenship law. In its June 29 morning report, the ECPA says that Latvia successfully meets all commitments that Latvia must fulfill to become a member of the Council of Europe. [as received]

Latvian delegation plans to meet with the ECPA representatives, who must report on Latvia's correspondence to the European standards, and explain them the situation in Latvia, acquire more information about citizenship law norms that are acceptable for the EC and how to coordinate them with the views of the Latvian Saeima so that both sides were satisfied.

Russian Military Not Supplying Information

LD2906164894 Riga Radio Riga Network in Latvian 1300 GMT 29 Jun 94

[Text] According to Ilgonis Upmalis, head of the Latvian bureau for monitoring the withdrawal of the Russian Army, the command of the northwestern group of the Russian forces does not supply his bureau with information about military personnel, members of their families, and the discharged military who are in Latvia.

According to Latvian-Russian agreements on army withdrawal signed in Moscow on 30 April, Russia has to supply this information quarterly. In addition, the Latvian side also has to be supplied with a list of approximately 22,000 discharged military personnel residing in Latvia.

Skrunda Station Inventory Begins

WS3006085694 Tallinn BNS in English 1801 GMT 29 Jun 94

[Text] Riga, Jun 29, BNS—Latvian and Russian defense specialists started June 29 to draw up the inventory of the new building of the Russian-operated radar facility at Skrunda, Latvia's representative Aivars Vovers told BNS.

The taking down of the list of movable property to be sent Russia will be completed this weekend, Vovers said.

Latvian interior officials will visit Skrunda on Thursday to settle monitoring of the installation. The guarding will be taken over from Russia next week after the inventory is completed. The guarding will be carried out by the Mobile Police Regiment.

Latvia has already handed in to the Conference on Security and Cooperation in Europe an inspection project for the implementation of the interstate agreement on the radar station. The CSCE is scheduled to consider the document next week.

The Latvian Cabinet's committee controlling the implementation of the Latvian-Russian withdrawal agreement said Wednesday that Russia is pulling its military forces out of the Baltic country according to the timetable.

The committee, however, criticized Russia for withholding information about the number of servicemen still stationed in Latvia.

In addition, Russia, unlike Latvia, has not appointed its representative to the mixed withdrawal committee.

As reported, Latvia took over the new skyscraper of the Skrunda radar compound, known among locals as the "monster," early in May, a few days after the signature of the general pullout treaty April 30 in Moscow.